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By

Mr. Ravindersingh . K. Bindra

Under Guidance of

Dr.Prof.Ashish Mohture

Associate Professor
Institute of Management and Research
MGM University

October 2024

DECLARATION

I hereby declare that, the present work completed in the form of thesis entitled, **"Critical Assessment of Functioning And Management in Family Owned Business"** is an original work carried out by me under the guidance of **Dr.Prof.Ashish Mohture** and has not been submitted or published in any form for the fulfillment of any other degree or any other similar to this in other University.

I further declare that the material obtained from other sources has been duly acknowledged in the thesis.

Ravindersingh . K. Bindra

Place: Chatrapati Sambhajinagar

Date: October 2024

MGM University

Chhatrapati Sambhajinagar

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DEDICATION

To My Beloved Grandfather, Grandmother and Father

Sardar Basantsingh Meharsingh Bindra

Sardarni Charanjeetkaur Basantsingh Bindra

Sardar Khushbirsingh Basantsingh Bindra

This thesis is dedicated to your memory,

A source of infinite love, wisdom, and strength.

Your unwavering belief in me, your sacrifices, and the values you instilled have shaped who I am today.

Though you are no longer here to share this moment, your presence is felt in every word and every accomplishment.

I carry your lessons in my heart and strive to honour your legacy in all that I do.

Forever missed, deeply loved, and always remembered.

ABSTRACT

Majority family ownership is a common feature of successful family companies. Their distinctive aims, methods, and culture have piqued the interest of academics. More than half of all firms in the world are owned by families, and family-run enterprises account for between fifty percent and seventy five percent of all GDP and employment in any nation. One reason why family companies differ from those that are not owned by a family is because they serve different purposes. The pursuit of dissimilar strategic aims and operational results is one manifestation of these distinctions. Firms with strong ties to family members are more likely to make choices that will preserve the company's good name and foster long-lasting connections with its various stakeholder groups. Family members place a premium on maintaining a good name and trustworthy connections, seeing themselves and acting as an extension of the family company. Scholars have noted, however, that the multi-disciplinary character of trust and reputation contributes to a lack of clarity in the conceptualization of these concepts. Additionally, researchers have not yet conducted a comprehensive study analysing existing evidence and providing such an integrated framework, thus we lack a larger theoretical perspective on the causes and effects of trust and reputation. The present investigation was inspired by the previously noted holes in the literature.

Due to the fact that it was examined first, followed by model building, the research that was carried out in this study was of both a qualitative and quantitative character. It's the research methodology used by Meta Inferences. The purpose of this research was to build a model based on the variables that impact succession planning in family-owned small and medium-sized enterprises (SMEs) in India. The technique included the acquisition of primary data via interviews, the use of qualitative tools to construct a model, additional collection of primary data using questionnaires, and the use of quantitative tools to reinforce the model. Small and Medium Enterprises (SMEs) from Delhi and the National Capital region (NCR) in the Automotive Component Industry were selected for this study. The enterprises were screened based on the fact that a succession event was either anticipated to take place within the following five years or had already taken place within the previous five years.

This research solely takes information from firms that are owned and operated by families. It was only available in the areas of Delhi and the National Capital Region. The data was gathered twice: the first time, when the model was being developed, it was subjected to qualitative analysis, and the second time, when the hypothesis was being tested and the model was being proven, quantitative analysis was performed. There were a total of 112 respondents, with 15 participating in the first stage and 97 participating in the second stage. Interviews were conducted for the first stage, next questionnaire's were used in the second stage.

The main aim of this study is to study Indian Family-Owned Business Succession Planning Patterns with Particular Reference to Automotive Component Small and Medium Enterprises (SMEs) And identify selecting a successor in Indian family-owned businesses, with a focus on automotive component small and medium businesses (SMEs) and propose the variables affecting SP in SMEs that might be examined further in order to reduce the unneeded aspects in decision-making.

It is concluded that the purpose of was to conduct an in-depth investigation into the subject matter and get an understanding of the patterns and practises of succession planning at FOBs. This was meant to serve as an introduction to qualitative data analysis. Additionally, the initial objective of the study was accomplished thanks to this finding. In addition, the findings of the data aided in constructing a theme network model, which must be employed to accomplish the second objective of the study. In, the reader is presented with information on the demographics of the respondents, their responses, making inferences, developing themes, and drawing conclusions. As a means of data analysis, the intent of was to test hypothesis and develop a model. SPSS and AMOS were employed for the data analysis. After conducting a Confirmatory Factor Analysis through Principal Component in SPSS to determine the pattern and factor loading associated with the variable, the next step was to test the goodness of fit of this model using CMIN/DF. After that, the hypotheses were tested through correlation, and the model was finally presented through a path diagram. The most paramount aspect of this chapter is the quantitative research that will be conducted, in order to turn the second aim into outcomes.

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Abbreviations

Abbreviation	Description
Gdp	Gross Domestic Product
Ncr	National Capital Region
Sp	Succession Planning
Spss	Statistical Package For The Social Sciences)
Amos	Analysis Of Moment Structures)
Cmin/Df	Minimum Discrepancy Function Divided By Degrees Of Freedom
Slr	Standardized Literature Reviews
Ceo	Chief Executive Officer
Huf	Hindu Undivided Family
Fdi	Foreign Direct Investment
Fb	Family Business
Oecd	Organization For Economic Co-Operation And Development
Sme	Small Medium Enterprise
Cad-Cam	Computer-Aided Design And Computer-Aided Manufacturing
Cnc	Computer Numerical Control
Fob	Family Owned Business
Oem	Original Equipment Manufacturer
Csr	Corporate Social Responsibility
Swot	Strengths, Weaknesses, Opportunities, And Threats.
Fifs	Family Influencefamiliness Scale
Roi	Return On Investment
Ffi	Family Firm Institute
Iit	Indian Institute Of Technology
Midc	Maharashtra Industrial Development Corporation
Msme	Micro, Small And Medium Enterprises
Gdp	Gross Domestic Product
Kmo	Kaiser-Meyer-Olkin Test
Sem	Structural Equation Model
Cfa	Conformatory Factor Analysis

CHAPTER – 1

INTRODUCTION

1.1 BACKGROUND

More than half of all firms in the world are owned by families, and family-run enterprises account for between fifty percent and seventy five percent of all GDP and employment in any nation. One reason why family companies differ from those that are not owned by a family is because they serve different purposes. The pursuit of dissimilar strategic aims and operational results is one manifestation of these distinctions. Firms with strong ties to family members are more likely to make choices that will preserve the company's good name and foster long-lasting connections with its various stakeholder groups. Family members place a premium on maintaining a good name and trustworthy connections, seeing themselves as an extended part of the family company. Scholars have noted, however, that the multi-disciplinary character of trust and reputation contributes to a lack of clarity in the conceptualization of these concepts. Additionally, researchers have not yet conducted a comprehensive study analyzing existing evidence and providing such an integrated framework, thus we lack a larger theoretical perspective on the causes and effects of trust and reputation. The present investigation was inspired by the previously noted holes in the literature.

The reputation of a company is its total attractiveness to stakeholders, as judged by those stakeholders in light of the company's previous actions and its perceived future possibilities. Recent studies on the relevance of trust and reputation in business have specifically addressed the needs of families in business. Since trust and reputation are so fundamental to the success of family businesses, and since those businesses rely so largely on the resources associated with the family's identity and kinship links, these qualities are intrinsic to and important to family businesses. Protecting the family name is frequently tied to protecting the reputation of the family business because of the potential connection between the two. Consequently, credibility and respect are fundamental to household and company operations.

Trust and reputation are organic results of the family company due to its distinctive features, such as family relationships, a focus on the long term, and the presence of

socioeconomic riches. Trust and reputation are shown to be results of family-related outcomes, according to a research study. In particular, we find that family values, family identity, family succession plans, family participation in corporate governance, family background, place of origin, and accounting methods all play important roles.

Gaining access to resources, interacting with customers and workers, and achieving financial and non-financial goals are all made possible when a company has a good reputation and trustworthy connections. When there is trust between businesses, it changes the nature of the relationships between them, takes the place of formal contracts and agreements, lowers transaction costs, lessens the likelihood of conflict between entities, encourages cooperative behaviour among businesses, and even helps family-run enterprises innovate. In addition, family businesses that foster trust between its members enjoy more openness, ownership, and unity. Briefly said, family businesses that put effort into building trustworthy connections and a positive reputation have benefits that are unavailable to other businesses. These benefits include access to outside resources and experts and higher levels of trust and involvement from customers. If people can gain each other's trust, they are more inclined to share information and resources, and their interactions will be less expensive.

Still, the ideas and facts about the function of trust in family businesses are disjointed and inconsistent. There is consensus in the family business literature that trust and reputation have a special impact on family company results, but no one has yet taken the time to thoroughly synthesize the existing research on the subject. As a result, we undertake an SLR of the existing literature on trust and reputation in family enterprises. Intense, trustworthy, and repeatable results are hallmarks of the SLR approach.

Using an SLR methodology, we make an effort to answer the aforementioned questions. Originally developed for use in medicine, SLRs serve a similar purpose in the area of management studies by helping to locate, combine, and critically analyse existing information in order to provide new insights. Standardized Literature Reviews (SLRs) are a subset of reviews that can be repeated with accuracy and openness. SLRs are used to consolidate knowledge growth by revealing research

needs in already-matured fields. In a nutshell, SLRs advance the state of knowledge by synthesizing prior research and illuminating new avenues for study.

The results of our research add to the current literature since we analyzed 93 journal papers on the topics of trust and reputation. We started by locating and amassing sources on the issue of trust and reputation that were applicable to our research. The study setting (geography), research methodologies used, and theories connected to the application of trust and reputation were profiled to create descriptive statistics for RQ1. To answer RQ2, we performed a content analysis of the aforementioned publications to isolate overarching ideas. More and more content analysis is being used by SLR researchers to better comprehend the logical framework of the discipline. Finally, we addressed RQ3 by identifying research gaps and suggesting potential new directions to explore. Our research provides a theoretical basis for directions for further study.

Our work adds to the literature in three ways by answering the aforementioned questions. Second, we acknowledge the diversity of family businesses worldwide while providing a summary of the previous research. Finally, we provide a contribution to the present body of work by shining light on emerging themes in the existing literature, notably with regard to theoretical lenses, drivers of trust and reputation, and advantages of trust and reputation. Our study, like other recent SLR investigations, consists of three parts: defining the study's goals, detailing its methodology, and then discussing its results.

Family companies are the lifeblood of economies throughout the globe because they are run by individuals. They are more permanent, prosperous, and job-providing. A family company is an enterprise run mostly by members of the same family across many generations. Family businesses have a better chance of lasting because they foster an atmosphere of trust, a sense of shared purpose, and strong social standards of commitment among their employees. Decision-making authority is often held by family members, who supplement their own abilities by bringing in outside experts to do certain duties. Family members may also get social and emotional benefits from working in the family business. Business historians and academics agree that a company's new owners and management may breathe fresh life into an organization, making succession a crucial aspect of every successful family business. But the

family member's level of responsibility inside the company will determine the form and extent of their engagement.

However, performance is a crucial measure of a company's organizational health and competitive edge. Businesses may take advantage of their unique qualities if they can establish what elements lead to better performance. The success of a family company may depend on a number of factors, and the members of that firm may wish to know what those factors are. In light of the above, our research draws on a rapidly developing field: family business. By addressing the question, "Which variables of family business assist in meeting/exceeding performance targets of a firm?" we may shape the direction of our study and its eventual findings.

- **CONCEPT OF FAMILY BUSINESS**

Due to their presence worldwide, family enterprises have recently attracted a lot of scholarly interest. Research on family companies has revealed that the term "family firm" does not have a universally accepted definition. As stated in the World Federation of Exchanges (2018) paper on family businesses, which was written by Cleary & Alderighi, "there is a diversity of views about what factors should be considered to determine whether a firm is a family firm and what thresholds should be used for these factors." In common usage, a family business is a company that is owned, controlled, and occasionally managed by members of the same family.

Public firms that are owned by members of the founding family and run by relatives of the founder or other relatives of the founder are what are known as family businesses, according to research on the topic. The literature on family businesses is extensive, and there is no universally accepted definition of a family enterprise. While there are some prevailing disagreements, it is possible to find a consensus definition of a family business through research conducted on a global scale.

In simple thinking a business undertaking is taken to be a simple and straightforward undertaking. When we see a petty shop or a hawker, do we think of that outfit or the individual growing into an enormous global undertaking and that individual into a business magnate? But such things do happen. The social history of the progressive nations is dotted with stories of from rags to riches. How much of a business magnate was Henry Ford who started his humble shop in a small town in America, or what G

D Naidu of India when he started his career, or Dhirubai Ambani of today-s giant Reliance Corporation? From a boy in a automobile fuel outlet to the top of a self-founded business is a big leap indeed. How does such a thing happen? It is quite possible that when the founder started his original enterprise with great ambitions, he did not visualize all this affluence; and on the other hand, people who started a business undertaking with all advantages might not have visualized the abysmal depths to which they might fall at a future time. Today's business studies basically assumes that growth or fall is a matter of human endeavour —not haphazard but systematically organized and painstakingly developed by the devoted care of an individual or individual inspired by the founder's inspiration and insight.

It is wrong to assume that any business is a simple affair. A business lives like a human organism and responds to its environment and changing conditions. It does not grow and develop on its own in a haphazard way. But the conventional way in which business has been understood in our country is very different. The great Indian writer R K Narayan has a short story which talks of a rice merchant whose father takes him off school and puts him into his business. He does not allow the young man even to go out of an evening to watch a game of football—let alone playing a game! When he demurs, he is whipped. But lo and behold, he turns into a businessman with undeviating devotion to his business, instinctively feeling his way to success. He has a genius for it. He succeeds in peaceful times, and then when the War comes, the situation changes very greatly and there are seemingly insurmountable problems. But soon he feels his way round and makes a boon of his bad situation and multiplies his business because he learns how to create an artificial scarcity and how to make his customers for the little he offers to give them of his merchandise. The mighty British administration hedges businessmen round with many restrictions and controls but he learns how to take advantage of the human foibles of the administrators and turn the rules to his advantage. But he manages it all with his individual capacity, but he has no thoughts of the business living beyond him; maybe his children would inherit the business and develop it further, but it would be something like what it is in his own time: he never shifted his business venue and never dealt anything other than what his father dealt in. But he grows richer by the day until he meets with his accidental death.

This is a plausible story. But it emphasizes the cupidity in human nature. But it does not associate itself with the values that the merchant should have developed if he had visualized a glorious future for his undertaking. Business administration is not interested in this kind of business. It visualizes something far different, and seeks to understand how a successful business undertaking grows and perpetuates itself, or how it progressively declines and disintegrates, so that the understanding could be a lesson to those who want to conduct a business enterprise scientifically and rationally, leaving nothing to fortune or luck as far as the human agency is concerned.

What is important to note in today's context is that a business does not stay young and small; it grows complex when it grows at all, and there are people employed, and then the founder has to do something risky in identifying the men whom he takes into his business to assist him. And he could not leave the assistants to their lights to serve his interests to the best of their ability; he has to make sure that they learn the business and ply it without disloyalty to him. He has to specialize in the art of procurement of his material; he has to be an expert in arranging the physical details of his business; then he has to pay close attention to the nuances of marketing, developing his clientele; when a clientele is developed, to keep it loyal to him [to say nothing of his loyalty to them!]

But in thinking of modern ideas in business management, we have to think of one distinct attitude popular among some of our people: they do not want the business to develop beyond a certain level because they do not want it to overflow the family bunds and invite trouble. As even western theorists in the field emphasize, it's a moot question whether the founder wants the business to continue beyond his time, and whether the next and succeeding generations want the business to continue. The cut-throat competition of which we talk is an assumption that does not allow such questions to be contemplated at all.

In Western society also, there was a phase of transition from business with a recognizable human face and personality to business as an abstraction, a separate ide*ntity which has an objective being. In Thomas Hardy's* Mayor of Casterbridge, Henchard the successful businessman suddenly finds that contemporary business has suddenly grown beyond his reach: he is expected to conform to a time scale, and the business that he owns seems to have a life of its own with enormous amounts of paper

work and formal commitments governed by legal issues. When he is not able to cope with these demands, he is lucky to find an assistant who happens to come into his world just out of the blue. But when circumstances develop suddenly in an unfriendly way, his hitherto subordinate turns into a competitor and Henchard himself falls into disgrace. Modern thinking thinks of a business undertaking as an objective being, which impersonally rolls on from year to year and generation to generation.

But when a family business grows in age and also in volume and range, it becomes a very complex organism that has a very personal nature and yet has to go for a certain minimum of objectivity. When it grows in respect of time and in respect of range, then it requires personnel who have special skills in addition to the founder's insight and inspiration, and who differ in different degrees in terms of qualities from the founder. Thus, in thinking of a business undertaking that promises to go beyond the first generation, several issues have to be taken into account. A scion of a business family can always wonder whether his father or grandfather ever thought of all the details crammed into his head in his modern academic programme in Business Administration.

History of family owned businesses in India

The origins of business in India may be traced to the second part of the nineteenth century, when the first Indian family businesses were established. So, it should come as no surprise that 95% of all Indian enterprises are presently controlled by family members. Without a doubt, family businesses have solidified their position in the global economy, since one-third of the Fortune 500 corporations, including the now second-largest Wal-Mart, come into this group. There are countless small and medium-sized businesses operated by families in India, which is a boon to the country's booming economy. To encourage import substitution and gain economic independence from the British, family firms in India first emerged in the 1890s. In support of the Swadeshi movement, which was important to India's fight for independence, the government provided preferential status and subsidies to these businesses.

Businesses in the post-independence era became near monopolies thanks to the license raj, which shielded them from the ever-present realities of the market and

prevented their inefficiencies from being revealed. Notable families in the business world of the 1960s were the Modis, Thapars, Shrirams, Singhanias, Birlas, Wadias, and Godrejs. Because members of business families often have different perspectives and goals in life, this creates its own set of management issues. Maintaining family unity while welcoming new generations into the company is no easy feat. In order to keep their families intact, some people give up their businesses, while others give up their families in order to retain their businesses. Someone has noticed that:

- There are very few family businesses that make it past the third generation; in fact, just 4% make it past the fourth.
- Generational strife is the cause of family company breakdown in one-third of cases.

However, many family companies have found success via the close-knit structure of families, which promotes cooperation while also honouring family values and elders. Because family companies in India are so important to the country's economy, it's important to find ways to make them last longer so that future generations may enjoy the fruits of their labour. In both developed and developing nations, family businesses account for 60–70% of GDP. This is also true in India.

Characteristics of Indian family owned business

There was a transition in the Indian family business sector from distribution and trade to production. This development necessitated new approaches to leadership, new ways of thinking, and new ways of interacting with people. The following major procedures define Indian family businesses:

- In popular culture, the entrepreneur is a hero figure who is revered and held in high esteem.
- Everyone from management on down treats their staff like family.
- Prioritized over individual interests was the system's and the group's collective welfare.
- Skilled managers oversee employees by establishing and enforcing appropriate social norms and role routines.

- A person's status in the company is most strongly influenced by their family relationships.
- The Board of Directors consists of family members, even if they do not have any financial stake in the company or any involvement whatsoever.
- Some Indian castes have been so prosperous that their names are now practically associated with family-run companies. A group of northern Aggarwal's and Guptas, southern Nadar's and Chettiar's , western Muslim Khojas and Memons, eastern Marwaris, and a smattering of Gujarati Jains and Banias completed the picture. The Marwaris have achieved the greatest level of accomplishment among these.
- In the corporate world, every caste adheres to its dominant culture.
- Members of one's immediate and extended family are fiercely devoted to one another, which in turn develops loyalty to one's place of employment.
- During the worst of circumstances, a family-owned business can always be counted on to survive thanks to the unwavering commitment of the CEO and the family.
- The CEO's sons and other male relatives are more likely to rise through the ranks and take over the company. Women play the function of counselors to the men in the group and the role of caretakers to their families and coworkers.

The Strengths of Indian Family Owned Business

1. Family members give up money to support the business.
2. Family bonds are strong and resilient in trying times of corporate transition.
3. Being a family-run business sets the company apart from its rivals.
4. It is capable of making long-term plans and preparations.
5. Value and quality are highlighted.

The Weaknesses of Indian Family Owned Business

- Lack of readiness for change,
- Owner grows bigger than the company,
- There is centralized decision-making,
- Proxy sons who hold positions of power undermine
- systemic power and hierarchy,

- Lack of judgment on mediocrity,
- a reluctance to adopt formal, professional, and
- overall absence of strategic understanding.

PREVALENCE OF FAMILY FIRMS AROUND THE GLOBE

Historically, family businesses have been very common all across the globe. According to London Economics (2002), family firms are on the rise and account for almost two-thirds of all enterprises globally. Ninety percent of US firms and eighty-five percent of EU enterprises are family businesses, according to studies. In their study, Neubauer and Lank (1998) evaluated the global impact of family businesses. They found that in Italy, family businesses make up a staggering 95% of all businesses, in Sweden, 90%, in Switzerland, 80%, in Spain, 75%, and 70%. Identical results are obtained by Bornheim (2012) for the aforementioned nations, with additional percentage numbers provided for Austria (80% of enterprises), the Netherlands (52%), Mexico (80%), Chile (90%) and the US (95%). Globally, family enterprises may account for 20–70% of all businesses. In their sample of 27 affluent nations, they found that 40% of the firms were widely-held, with 50% of those firms being controlled by families.

According to research, most countries in continental Europe have a strong emphasis on family enterprises. More than 60% of all publicly traded companies in France, Germany, and Italy are family businesses, according to research by Faccio and Lang (2002). Family businesses make up one-third of the US-based enterprises included in the Standard & Poor 500 index. Bruton et al. (2003) found that the majority of listed firms in East Asian countries are controlled by a single shareholder. Among these firms, 60% have members of the controlling shareholder's family serving as managers. This type of corporate governance is highly prevalent in the region. Based on their analysis of 228 Taiwanese enterprises, Filatotchev et al. (2005) found that families own at least a 15% stake in 29% of these companies.

More than 80% of South Africa's enterprises are family firms, according to studies. Family businesses have been the backbone of Mexico's economy for generations, with Gallo (1994) estimating that 80% of Mexican corporations are run by members of the same family. The number of longest-running family businesses is greatest in Japan.

One example is the Japanese Kongo Gumi, which has been in continuous operation since 578 AD and is now run by the 30th generation. An equal number of companies that are included in the Fortune 500 are family enterprises. Family businesses in India account for 85% of all businesses, a large portion of both employment and GDP, according to a study by Deloitte (2013). It follows that family firms are quite common among the world's business organizations, according to the available literature.

CONTRIBUTION OF FAMILY BUSINESSES TO THE WORLD ECONOMY

The review of family firms around the world leaves no doubt as to their dominance and prevalence worldwide, which further leads to their significance and economic importance. Family-owned and controlled businesses are essential to the development of the world economy as they contribute substantially to economic development. Family businesses are significant for steady economic growth through innovation, creation, and employment generation. Timmons and Spinelli (2007) in their study highlighted that family firms contribute 40 percent to the GNP of the US, 55 percent in Belgium, 40-50 percent in Finland, over 60 percent in France, 55 percent in Germany, 54 percent in Netherland, 60 percent in Portugal, 35 percent in Poland, 50 percent in Australia, 63 percent in Brazil, 50-70 percent in Chile and 65 percent in India. Family businesses are as significant in building a steady economy as families are critical for forming a steady society.

FAMILY BUSINESS IN INDIA

Family companies in India have evolved through time to reflect the country's cultural wealth and historical legacy. Families have controlled the country's history of businesses since its independence in 1947. In 1991, India's government made the historic decision to liberalize its economy, which opened up the country's markets and introduced sweeping structural and macroeconomic changes. Companies in India reacted differently to the economic changes. Family businesses faced new difficulties and possibilities due to these developments. According to Chahal and Sharma (2020), family firms in India had to adapt to a new business climate. Those companies who were proactive and agile managed to thrive in this new setting. However, some people collapsed under the weight of their newfound independence. Family companies are

widely recognized as the economic pillars of India because of their prominence in the country's corporate landscape.

The joint family system and the long-established caste system in India have contributed to the success of family enterprises there. Some castes are more heavily involved in running these businesses, which has helped to reinforce them. Members of the same family may own shares in the company through several legal structures, including the Hindu Undivided Family (HUF), trusts, and corporations. As a result of the long history of strong familial bonds and collectivist culture in India, socio-emotional goals are instrumental in family companies. In addition to cultural factors and familial ties influencing company management, interpersonal dynamics within the family may be shaped by the dynamics of the business itself. According to Chakrabarti et al. (2008), family enterprises make up around 60% of the top 500 listed Indian corporations. Since they employ so many people and provide so much money, family businesses in India have been crucial to the country's economic success (Khosla and Gupta, 2017). Historically, males have held most positions of power in India's family enterprises, and women have been underrepresented in senior managerial roles for quite some time. There has been a shift in corporate India, and even family businesses are changing and promoting women to executive roles. There is a noticeable gap between the amount of study on Indian family companies and their financial success, which is surprising given the number of family businesses in India and their significance to the country's economy and commercial landscape.

It would appear from the study of the literature that there appears a dearth of research in the effectiveness of family-run enterprises in India. Considering the prevalence of such enterprises in India, this is somewhat surprising. There has been a dearth of research on Indian business families and their companies. Furthermore, there appears a dearth of research in the effectiveness of Indian family businesses. Many questions remain unanswered in the literature on Indian family enterprises, including what factors contribute to their success or failure. Studies on Indian family-controlled businesses have mostly ignored financial data in favour of studying non-financial traits and metrics.

The joint family system and the long-established caste system in India have contributed to the success of family enterprises there. Some castes are more heavily

involved in running these businesses, which has helped to reinforce them. The Indian financial system and legal framework are rooted to those of the United Kingdom, which includes strong safeguards for shareholders. Law enforcement remained a concern despite the advantages described earlier. Also, due to limited information circulation, license restrictions, and inadequate company supervision, a number of issues arose. Since India's independence in 1947, family-run corporate organizations have been seen to be in charge. At the time of India's independence, the formal sector was dominated by Indian families who had built and nurtured their businesses. This included families like Birla, Tata, Thapar, Sahu Jain, and Shingania. Following independence, the Indian government adopted a socialist stance toward investment, and some industries were set aside for the public sector in the Industrial Policy Resolutions of 1948 and 1956.

Among the most important legislative initiatives and rules enacted by the Indian government from 1947 to 1991 were the Industrial Licensing Policy Inquiry Committee (1969), the Foreign Exchange Regulation Act (1973), and the Monopolies and Restrictive Trade Practices (MRTP, 1969). These red tape and regulations made it harder for foreign investors to get into the market and gave the government more power over the private sector. Prior to commencing operational activity, new company ventures were required to get many clearances and complete a series of regulatory procedures. Businesses in India were compelled to get many licenses and bureaucratic clearances after independence resulting in the Industries Act 1951. Smaller businesses had less competition resulting in the institutional hurdles created by the license-permit raj system. High tariffs and outrageous import licenses were imposed by bureaucratically inflexible regulations, which served to limit foreign competition and slow down corporate expansion in many industries.

Like other rising nations, India's economic structure was characterized by inefficient marketplaces. Strict contract enforcement was also problematic since relevant rules and legislation were missing. The lack of investment bankers, financial analysts, a vibrant financial press, and effective stock exchanges was another hallmark of this era. The national capital market also suffered from a lack of liquidity, equity capital, and good corporate governance. Due to limitations on capacity growth and difficulties in gaining access to funding from prospective investors, India's capital and product

markets are inefficient, which limits the country's commercial options. Companies have a hard time making deals due to the tight labor market. Because of the government's high import quotas, tariffs, and permits, which made imports expensive, the private sector was unable to engage in as many enterprises. The expansion of capacity was further impeded in 1969 by monopoly laws, which also imposed restrictions on foreign investments. To add insult to injury, the private sector, especially businesses run by families, was subject to regressive regulations in the 1970s that sought to limit the growth of individual wealth. According to Manikutty (2000), Indian businesses were ineffective and unprepared for international competition between 1970 and 1990.

For Indian firms, the aforementioned flaws were major roadblocks to success. Under these circumstances, it was shown that diversified enterprises might create more value than standalone ones. So, instead of concentrating on one area of business, Indian business organizations opted to diversify into unrelated fields in order to fuel their expansion. To sum up, in response to challenges posed by a new institutional framework, family-run Indian business organizations diversified their products. There were family business groupings that made good advantage of the institutional vacuum and other market failures. The Indian economy had a dramatic boost after the reforms of 1991. It resulted in the MRTP Act being repealed, fewer areas formerly allocated for the public sector being reduced or eliminated, lower import and excise charges, and the substantial removal of license requirements for establishing and expanding enterprises. Reduced corporation taxes and import tariffs made it easier for Indian businesses to attract investment from abroad. Foreign enterprises began investing in India as a result of globalization, which increased competition but also leveled the playing field for Indian businesses and their new international counterparts. Consequently, a new business climate emerged for Indian companies. Indian businesses, accustomed to working in a more controlled environment, found themselves unexpectedly competing for scarce resources and funding.

Liberalization, privatization, and globalization were economic changes, but not all Indian businesses reacted in the same way. In 1991, India's government made the historic decision to liberalize its economy, which opened up the country's markets and introduced sweeping structural and macroeconomic changes. Family businesses faced

new difficulties and possibilities resulting in these developments. Businesses were now able to see participation in the areas that were generally, previously reserved for the public sector, despite the fact that competition from new initiatives and international MNCs was increasing. As the business climate changed, some family firms reacted swiftly and reorganized, while others were unable to adapt and eventually went out of business. While some of these companies have thrived, others have struggled but are still here; and yet others have failed miserably and vanished from the Indian economic landscape altogether. As a result, private companies, especially family corporations, have risen as the dominant economic structure in India. A flurry of new businesses in both established and emerging sectors occurred after 1991. As a consequence of these reforms, wealthy families were able to more effectively allocate funds and increase private sector involvement in the economy.

Foreign direct investment (FDI), imports, and competition for Indian businesses all increased after 1991, when the country's economy was opened and the government drastically reduced controls, licenses, quotas, levies, and limits on FDI. Consequently, Indian family companies encountered a new landscape, and only those who were adaptable and proactive managed to thrive in this new climate. While some thrived in the newfound freedom, others crumbled under its weight.

1.1.1 FAMILY BUSINESS MANAGEMENT

There is a good chance that family companies are one of the earliest types of activities that have developed resulting in the development of mankind. In other words, an FB is a company that has both of these characteristics. In spite of the numerous studies that have been conducted, the idea of an FB is not widely disseminated or known to everyone. Investigations into this kind of business are now under process. However, this has not always translated into a positive impression of them. When it comes to efficiency, there is not a definitive definition, nor is there widespread agreement among academics. The lack of a consensus on what Family Business really is demonstrates this. The European Union commissioned a study—created by a panel of subject- matter experts from each member state—to clarify the idea of FB and its determinants in light of the existing confusion and lack of consensus on the matter. The researchers in this study sifted through over 90 definitions of "family business" before settling on one. The goal was to clear up any confusion or disagreement on

what FB is and what factors contribute to it. Nevertheless, after the Litz investigation and a few years after the EU study was finished, "Family businesses in the North: Cartography, Portraits and Testimonies", The University of Minho's 2018 development was deemed a danger to the "Non-stabilization of the definition of Family Business." This was the case despite the reality that, from the tiniest start-ups to the most recognisable brands on the planet, anywhere from 65 to 80 per cent of all businesses is run by members of the same family. According to Rock, the issue is connected given that the breadth and depth of control, together with the level of organization's interests, continue to be a mystery. In Portugal, 80% of businesses are held by families, and these businesses account for fifty per cent of the country's workforce and create sixty percent of the GDP.

The majority of these enterprises are owned by Portuguese families. Revenue from the footwear sector in Portugal is somewhat more than 2 billion euros per year, with exports accounting for 95 percent of this total. Even if these studies assist realise the significant contribution that FB makes to the native and worldwide economies, there is still a gap observed about their definition and style of behaving, despite given that these research help realise it. The overarching purpose this investigation is to investigate the features of family companies as well as the influence those qualities have on the management styles used by such organisations. In order to accomplish this overarching goal, we devised two more particular goals, which are as follows: Using the goals of five separate firms' chief executive officers (CEOs), do a qualitative case study to learn about the inner workings of family footwear enterprises. This study aims to accomplish the following: First, to do this study; second, to conduct a literature review on this topic. Because of this, we hope that our research will help shed light on the topic that is being analysed. This will be accomplished by conducting discussions with footwear sector chief executive officers in Portugal's northern area, thereby exposing in greater a nation's depth in this representative and growing industry that is primarily characterised by FB. Additionally, it seeks to provide a contribution to the information of the primary factors and features of FB that have so far been detailed in the literature.

1.1.1.1 Core Areas of a Family Business

An in-depth analysis of the published research about family-run businesses and factors that have an effect on such enterprises provided the basis for the issues that will be investigated. Only a tiny proportion of family companies are successful into the following generation because it may difficult to guarantee a seamless changeover of leadership from previous generation to the coming generation. The CEO must make a choice on the succession plan keeping in mind the transition to senior management goes off without a hitch and the family business keeps rolling enterprises.

Management techniques are an essential component of family businesses' strategic planning, and the future of the firm is an essential factor in the continuation of FB's existence and expansion. However, other aspects inadequate financial planning systems, unclear goals, a failure to foresee or respond to environmental changes, and family members using the company's resources for personal gain are all aspects of the management model that can lower the standard of management.

For instance, family businesses that are tiny and have been there for a longer period of time exhibit a elevated level of care with the operation of the firm since it supports increases in the family's socio-emotional wealth. According to Pindado and Requejo, family businesses have a much higher performance than alternate forms of businesses because Members of the family have more expertise and care more about the reputation of the business. Particularly relevant here is the significance of property ownership.

It is a common practice to referring, connection between family and professional life as "fertile ground for conflict" or to describe it as "tormented by conflict." The connection between the family and the business systems leaves room for various disagreements, including competitions between family members, struggles caused by an inability to find a balance between the demands of work and those of the family, marital conflicts, and disagreements regarding the distribution of family property. In conclusion, Freitas and Frezza characterise the process of professionalisation as "a process through which a family or conventional organisation embraces customised practises." It appears to be a procedure where hired managers are integrated with

family managers. Family managers are the ones in control of the company. The need to professionalize family enterprises often emerges when the company's leadership transitions from a more paternalistic style to one that is more in line with industry standards as the company's generations progress through the ranks. Put another way, family companies are forced to become more professional due to the progression of generations. The professional approach places a significant emphasis on both strategic planning and the enhancement of management practises. These two valences stand out as particularly important. This process of professionalisation involves various factors that a business must take into account, one of which is the establishment of an effective corporate governance framework, which may include the appointment of a board of directors and other regulatory agencies to oversee and manage the business. Among the various components that make up the professionalisation process.

- ✓ **Performance**

Ownership, management style, family involvement in decision-making, and other variables may influence a family business's performance economic policies of the nation, and the legal character of the country. The magniyude of performance achieved by a corporation may be impacted by several kinds of competition, including growth possibilities and market forces. Some well-known aspects, like as the ideology of the firm and the manner in which it was founded, might also have an impact on its success. The size of the organisation may significantly affect its ability to realize economies of scale and the ease with which it can hire an improvement in management. However, when examining this issue, we can divide there are two types of family businesses: small and huge. Since improved performance may result in improvements in social and emotional wealth, it's no surprise that small businesses place a premium on it. Large firms, on the other hand, tend to have more dispersed ownership structures, which makes it easier to evaluate their performance relative to non-family enterprises by reducing the impact of any strong family ties businesses.

On With this information in hand, it's easy to see how concentrated ownership promotes performance by allowing for greater transparency and uniformity in goals. This may be considered as a benefit to the business. However, this only happens while the organization's creator is still actively involved since as the property is distributed, the goals become less distinct. The distinctions that exist among descendants often

have an effect on the decisions made, which may have significant repercussions. Recent studies have proven exactly the reverse to be true, demonstrating the company's original founder and his immediate successors who are likely to be responsible for destroying its commercial value and, as a consequence, its performance. Basco divided performance into two categories: first, there is the economic performance that was oriented on the corporation, and second, there is that family-centered economic success.

- ✓ **Succession Planning and Management Techniques**

The existence and expansion of Family Business are both significantly impacted by long- term strategy and the company's trajectory. But it's not easy to separate the family's approach from the firm since the implementation of the company's plan enables the family to achieve their objectives, such as having control and a low level of debt, among others. Control systems, in the view of der Stede, perform two distinct functions: management control and strategy control. Werner brings up both good and bad aspects of the administration of Family Business, stressing the traits of the founder both favourably and adversely with regard to the processes for taking over. The quality of management can be called into question, however, by other parts of the model, such as vague goals, a failure to foresee or adjust to environmental changes, a lack of financial planning systems, or family members using business funds for their own financial gain. Leone argues that the company's present and future management practices constitute a ritual of succession, which he defines as the transfer of power and wealth from one generation to another. Either the present head of the organization may decide to abruptly step down, or this change might be well-planned and executed over time passing away or becoming disabled.

We can describe what a family company is by taking into account all four of these stages: the beginning, the growth, the peak, and the fall. As we can see from examining Scheffer's writings, this has been an on-going issue since the study of family businesses began. One issue that has persisted since the study of family companies began is the fact that the decline phase and the succession process typically occur at the same time. Dealing with succession, as Oliveira sees it, in a manner that is foreseen and intrinsically safer is not at all a practise of family enterprises, regardless of how small, medium, or big the firm may be. The majority of

cases have been found among the first crop. Bernhoeft thinks that the tremendous intricacy of the instant the reasons appear explains why this habit does not exist. Some of these factors include partner disagreements, an overabundance of successors, and apathy on the side of those successors. Disagreements among families are another example. The difficulties that Sprungli lists face family companies and refer in their capacity as "ten deadly sins." These are sins that, in the event that they are not successfully addressed, typically put the safety of the firm in jeopardy. However, if the transfer of power is properly carried out, it's no longer possibility vulnerability and instead presents an opportunity for the business. Many often, successions that are well-planned and end up being successful result in tighter links between all members of the family and contribute to the growth of the firm this is especially true when the family associates have a same vision and objective for the business.

- ✓ **Family business systems and their interconnections**

According to Deniz and Suarez, so as to have a complete comprehension of family organisations, it is required to comprehend both the dynamics inside the household and how the company functions within. On the other side, Lethbridge argues that a thorough understanding of the pros and cons of combining family and company may lead to positive results and achieved success. If you want to know how family companies started, you have to look back in time how subsystems interact with one another. According to Oliveira, this is because family businesses originate from the initiative of an individual who is interested in venturing into company ownership and has the backing of his or her family. This individual is often a founder who has strong personal qualities coupled with extensive knowledge of the industry, both of which encourage him to persevere through the challenging initial years of the company's existence. The virtually umbilical connection that exists between the firm and its creator is something that becomes readily apparent upon closer inspection. Ussman further believes that this link has an unquestionable significance for the firm as a result of the commitment shown by the company's founder. But it sometimes also causes problems that limit the growth of the business. The failure to engage in strategic planning or to establish clear business goals is one such issue that might arise and cause consequences the situation.

Moreira Jr. and Neto characterize Family Business being businesses in which authority is concentrated at the top. This is mainly attributable to the early dedication of the founder, who, despite the company's competent and professional structure, continued to make all of the important choices personally. Family Business is characterized by Moreira Jr. and Neto as an example of a company with a centralized decision-making process. Nevertheless, the fact that the company's founder is eventually going to come to an end because He wont be able to spend eternity in the company's hierarchy because of this, the succession plan ends up be triggered, and it typically occurs to the next generation that comes after the one that is currently in office, despite considering that this isn't necessarily the successors' desire. Whether or not it's true that the property does not qualify, yet there is always a will for administrative ability. This is a reason why there are often issues inside the Family business, as their leadership doesn't always follow the rule of competency or meritocracy when it comes to carrying out their duties. Lethbridge, who described traditional FB as secretive and not open to outsiders, may provide light on the validity of this assertion by family members and the reasons for the smooth handoff of power inside the family. Additionally, Lethbridge clarified why the government has stuck to the family. According to Gallo and Sevilhano, there are two potential hazards for FB. The second aspect relates to the inseparability of the company's emotive relationships and its contractual contacts with third parties. Even while this phenomenon is not exclusive to FB, the familial tie causes decision-makers' emotions to often have an impact on the choices they make.

- ✓ **Professionalization**

It is understood that professionalization is a method of management by which the current owners' family passes the reins of the business to professional managers. This results in an environment that prioritizes meritocratic values, formalized structures, and independent decision-making, among other characteristics. The term "professionalization" comes from the work of Freitas and Frezza, who define it as "the process through which a family or conventional organization embraces customized methods." Sure, you can get the impression that it is a procedure that involves the collaboration of family administrators and contracted managers. As an example, Gehlen states that "professionalization starts to take place when the corporation ceases being merely a family business and begins to become a professional enterprise."

Frezza and Freitas, in contrast, caution that the professionalization of management does not escape the impact of families. To be successful, however, a proper professionalization of the family company requires that the family managers who are a part of it have the credentials and skills essential for the performance of their roles in the firm. An organization's need to become more professionally structured typically emerges as a result of the founder's more paternalistic style giving way to subsequent generations' demands for greater autonomy and responsibility within the company. That is to say, as one generation climbs through the ranks of a family firm, the need for professionalization becomes apparent. The expert method stresses the need of forethought and the continuous development of management practices as two of its most prominent facets. One of the issues that may arise for this reason professionalization is a possible communication breakdown between the proprietorial families and controls the business and the hired management. There is no guarantee that the principles and ideals are identical to one another. When a scenario like this one occurs, one possible response is to make an effort to professionalize the members of the family's workforce. In most cases, the values are same, and the level of control exercised by the family will be more effective.

- ✓ **Property**

When researching real estate, and more specifically real estate connected to family businesses, it is important to keep in mind that nearly two-thirds of privately held firms are owned by families. While some writers maintain that family-run enterprises have a competitive advantage, others maintain the complete reverse. There are two primary categories to choose from when classifying the ownership structure: the concentrated and the distributed. While dispersed ownership might encourage managers to engage in free-riding behaviour, it also provides opportunities for increased risk diversification, improved market and labor expertise, and other benefits. Some of the basic qualities of FB are prone to changing when the land is subdivided and sold off. When it comes to research and development, investments cannot be undertaken with a long-term view anymore; as a consequence, these investments have a lower level of risk. Additionally, it has the potential to exacerbate an already existing conflict inside the organization, such as a sibling rivalry or a dispute between older and younger generations. Researchers according to research by

San Martin-Reyna and Duran-Encalada, a growing number of Mexican business owners have a vested interest in seeing their company succeed. According to the statistics provided by La Porta et al., shareholders have more influence and a better chance of making a profit the more stock they own. Since the chief executive officer (CEO) is the largest shareholder under a concentrated ownership structure, he or she may either exert complete control over the business or keep an eye on the management to ensure that they are doing their jobs well. This helps to alleviate conflicts between shareholders and directors. This is on account of the fact that the CEO might become the dominant shareholder via concentrated ownership. Family businesses with a high concentration of ownership have an effect on performance by acting as a variable that may have an effect on investment strategy and prospects for company development. The same shareholders that possess a disproportionate part of the company's stock, according to some writers, are also likely to use their position to enrich themselves personally. Since non-family enterprises really keep corporate earnings apart from the owners' personal financial preferences, this puts them at a disadvantage and prevents them from maximizing profits. According to the study, a company's worth often drops when its ownership is spread out conducted by Villalonga and Amit. Family ownership is shown to be valuable only when the company's founder continues to serve in the role of CEO or president.

1.1.2 Family Business Success

Family companies are special. The family dynamic, which encompasses both the family as a whole at the same time as the business and its shareholders core of this distinction this dynamic may play a key influence in decision making and presents both possibilities and obstacles. The key to the prosperity of a family-run enterprise, considering development and long-term viability, is striking the right balance between the requirements of the company and the desires of individual family members. We are aware that, just like your family, your company does not remain static but rather evolves with time. KPMG Private Enterprise family business professionals have used their expertise and experience gained from working with family companies throughout the globe to identify six critical areas family-owned firms should address so as to serve the best interests of both the company and the family. An example of

these six categories and how each of them affects company and the family was developed by us, and it is referred to as our Family business dynamics depiction.

1.1.2.1 Helping family businesses grow

KPMG Private Enterprise has established a worldwide network with the goal of providing family-owned companies with relevant information and sound advice in order to cater to the specific requirements that come along with running a family company. We are aware that the nature of a family company is essentially distinct from that of a firm that does not include a family and that it needs a strategy that takes into consideration the family component. The specialists at KPMG Private Enterprise have devised a method with the intention of including and taking into consideration all of the family business's shareholders. The specialists who work in the specialised practises of our organisations strive to be more than just reliable business consultants; we also assist families in cultivating and preserving the good dynamic that they have. The family company professionals at KPMG Private Enterprise offer decades' worth of expertise and experience to each engagement, no matter where they are working: the boardroom, the kitchen table, or anywhere in between. Because our member companies are located all over the world, we are able to collaborate with businesses located in other countries and draw from a knowledgeable pool of resources. Our professionals collaborate with international thought leaders in the field of family business to share strategic practises and resources. In addition, our professionals provide guidance on the implementation of creative and practical solutions that are aimed at assisting clients in taking their company to the next level.

Six elements of a strong family business

1.1.2.2 Growth

Is there unanimity of opinion amongst the members of your family? Given the expectations of family members, the process of reaching the full potential of the company might be difficult at times, but it is unquestionably attainable with the appropriate sort of assistance. Advisors from member firms of KPMG Private Enterprise collaborate with family companies similar to yours to address issues pertaining to expansion, risk, governance, wealth, transitions, and people.

Expanding one's company in a way that is both sustainable and lucrative is one of the most important ingredients for long-term success. Although it is possible for many firms to achieve development by organic means, doing so may take a significant amount of time and work. Family businesses that want to grow need to think about all of the market opportunities available to them, such as searching for complementary businesses that could be acquired, possibly selling off non-core businesses, possibly

outsourcing functions to increase cost efficiency, and possibly expanding into emerging markets.

The chance of facing rising complexity and expenditures increases in direct proportion to the size of the enterprise. Is there room for expansion in your company?

— Has there been an in-depth analysis carried out of the capabilities of the firm and the requirements of the market?

— Is there a plan that has been discussed and agreed upon to put expansion goals into action?

— If the family continues to hold the company, would it be possible to satisfy the business's future capital requirements?

— Does the family that owns and manages the business have the experience and connections that are essential for expansion?

— In order to quickly and effectively incorporate newly acquired businesses into the family group, what methods may be put into place?

— What are the most effective strategies for coping with the unknowns and perils that are brought about by growth?

— Is the organisation ready to expand into foreign markets?

1.1.2.3 Risk

Every choice that is made in a family-owned business has the potential to influence not just the firm but also the whole family. In addition to the dangers faced by the company, the effects on the family must also be taken into consideration in order to prevent strife and to safeguard both the family and the company. In today's climate of ever-increasing scrutiny, having an efficient risk and controls management system is more important than ever. On the other hand, this competitive advantage has the potential to rapidly morph into a danger if it is not handled in the appropriate manner. It is possible to manage these areas into opportunities if one has a solid awareness of both the internal and external dangers. Enhancing communication, adopting governance models, putting in place internal controls and cyber security systems obtaining new funding, effectively managing taxes, and optimising tax strategies are all things that have the potential to have a beneficial influence on a company's bottom line. In the process of evaluating the risks and controls faced by your family company, here are a few more things to keep in mind:

— Do you have a good understanding of the potential impacts that your risks might have on your company?

— What kinds of internal and external controls do you put in place for the company in order to attempt to keep any unexpected developments under control?

— Does your organisation have the necessary safeguards in place to prevent unauthorised access to its systems, procedures, and data?

— What do you consider as the most effective tax techniques for your family company and for the members of your family?

— How can the return on investment in risk management be measured, and what procedures, values, and levels of effectiveness does it have in relation to important stakeholders?

— In order to lessen the likelihood of disagreements arising in your family company, have you settled on a set of guiding principles and do you adhere to them?

1.1.2.4 Governance

During their formative years, family businesses often enjoy a high rate of commercial success. In the long run, however, it will be necessary to put in place the appropriate governance structures and mechanisms. To properly exercise governance, one must first establish a method for reaching decisions. Questions of administration have the potential to fracture the family unit and provide a number of challenges. Before having to make key choices, families are required under some governance systems to discuss the outcomes of significant events and come to terms with their own family and company objectives. The following question should be examined when one is planning the building of an effective

governance system:

— Does the family have an established method for dealing with disagreements between themselves?

— Does the company follow a well-established protocol when it comes to recruiting family members, outlining their responsibilities, and paying them for their work?

— What control measures are already in place to make certain that the objectives and frameworks of the governance framework continue to be respected?

— How do you separate the choices you make for your company from the ones you make for your family, and how do you determine who is accountable for what?

— How do you ensure the expectations of minority shareholders are m

1.1.2.5 Wealth

When it comes to people who are engaged in a family company, the topic of finances is one that will never cease to be controversial and, without a doubt, causes more concern than any other aspect. In order to adequately educate family members for the responsibilities and emotional effects of wealth, as well as to safeguard the assets of the family company, effective wealth management within the family business needs meticulous preparation. Have you and your family thought about these things in relation to the business?

— Does your family have enough insurance coverage for all of its assets, both physical and intangible?

— Do you have a solid understanding of the fundamentals of wealth management as well as the strategies necessary to put them into practise?

— Do you feel comfortable managing your liquidity and meeting the requirements of your cash flow?

— Is there a method through which the organisation of your assets might be improved?

1.1.2.6 Transition

The sale or transfer of any kind of company may be a challenging undertaking. The process of passing on a family company comes with its own particular set of obstacles, including the possibility of disagreement within the family that might have an effect on personal relationships. If you put some thought into it, you can make sure that everything goes off without a hitch. Family companies are all about leaving a mark on the world. They provide a feeling of satisfaction and success upon completion. Whether the company is sold or handed down via a succession plan, there is still the possibility of the legacy being maintained. It is possible that the most difficult task that a family company will ever face will be succession and the incorporation of the next generation into the organisation. This challenge will include leadership development in addition to the transfer of corporate management and ownership. When ownership of a firm is passed down from one generation to the next, succession planning may assist families in avoiding conflict and ensuring that the requirements of the company are addressed. The choice to sell the company carries with it a new set of complications and friction. Because of this, there is only one chance to do it correctly. When it comes to transitioning out of or getting out of a family-owned company, there are a lot of different choices to consider. Professionals from KPMG Private Enterprise are able to collaborate with you to investigate the many possibilities that are open to you and provide assistance with the transition or transaction.

— What are the hopes and dreams of the next generation?

— What are some ways that you can encourage younger people to take an active role in the management of the company?

— What do you think would be the most beneficial transition or departure strategy for both your family and the company?

— When is the ideal moment to make a shift or sell the business?

— Do you have an accurate understanding of the worth of the company?

— How do you plan to arrange and safeguard the family ownership in order to prevent or deal with discord within the family?

— When non-family financial investors are engaged, what kind of legal structure is the most effective way to keep the ownership in the family?

— If you make the decision to sell, what legal and financial factors should you take into consideration?

— How can you ensure that arguments within the family do not have a detrimental effect on the way the company is managed?

— If you were to sell the property, how would you recommend reinvesting the money for the sake of the family's future?

1.1.2.7 People

When it comes to success, a company is only as good as its employees. There is always the potential for unforeseen dynamics and excessive expectations in a family company. When it comes to building a successful company, it is frequently necessary to bring in outside expertise in addition to having family members work side by side. The task consists of striking a balance between the needs of the family and those of the company, as well as creating an atmosphere in which all members of the community may flourish. The growing "battle for talent" has increased the amount of pressure that is being placed on firms to provide pay packages that are competitive while also providing continued possibilities for progress. In order for family companies to continue existing in the modern world, they need to be aware of precisely where and how to compete for the talent they need. Putting the appropriate individuals in the right jobs may be made easier by having a well-defined HR strategy as well as a deep grasp of the market. Family-owned firms have the potential to effectively adopt the essential governance structures and human resources policies, provided enough forethought is put into the process. These rules may serve to establish the expectations for all workers. Think about these things to make sure you're heading in the proper direction:

— Do you have any relatives who would be interested in taking on further responsibilities inside the company? Do they possess the knowledge and expertise necessary to contribute to the expansion of the company?

— Will the subsequent generation be able to take over the company if they get proper education and guidance?

— How exactly might outside talent be of assistance? How may they be most effectively incorporated into the operation of the business?

— Do you have a formal wage system that everyone is familiar with? Is the wage you provide fair for all of your workers, regardless of whether or not they have a family?

— Is the amount you get commensurate with the existing norms of the market? How can you design a pay scheme that is competitive with other firms that may issue equity shares to non-family members of the company?

— Do you provide your employees with a comprehensive rewards programme in addition to a competitive wage that includes benefits, perks, bonuses, and possibilities for advancement?

— What kinds of governance models may be implemented so that everyone has the same opportunities?

— Do your HR policies comply with the relevant regulations, and are they fair to all employees and applicants?

1.1.3 UNDERSTANDING FAMILY BUSINESS

Family companies are recognisable from other kinds of businesses, just as families who are involved in business are recognisable from families that are not involved in business. It is essential for families in business to have a solid understanding of these contrasts so that they may, in their roles as owners or managers, begin to address the difficulties they confront and make the most of the possibilities they have.

The goals and regulations of the company versus the interests and feelings of the family This often results in a collision of cultures (see Exhibit 1), which in turn causes

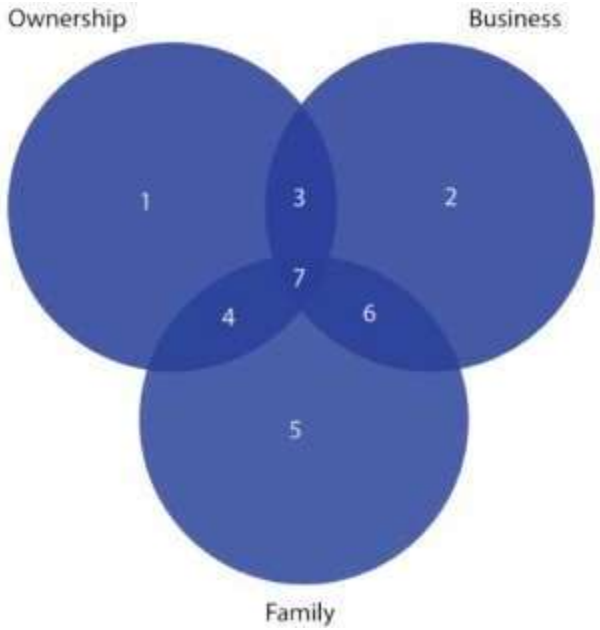
long-term tensions, friction, and disagreements about values. Families who are successful are able to get an understanding of what is going on and design tactics that allow them to maintain control over often contradicting influences. Because of this, they are better able to take advantage of the unique benefits that are available to family businesses.

Exhibit 1: The psychological perspective

The health and happiness of each member of a family, in addition to the preservation of the family name and history, is often at the centre of family dynamics. This is because one of the most significant purposes of the family system is "to address the emotional and psychological needs of its members rather than to arrive at the highest economic return."

Construct in your mind a representation of the many roles that individuals play in the family company. The well-known Three-Circle Model is a tool that assists in determining the responsibilities, motives, expectations, and anxieties of persons who belong to one of three groups: ownership, the company, and family members.

Exhibit 2: The Three-Circle Model of family business



1. Investors from the outside who purchase a stake in the company but are not employed there and are not related to the family that runs the company.

2. Employees and managers that are not related to the family.
3. Owners who are active in the operation of the company but are not related to the founding family.
4. Members of the family who are not now employed by the company but who hold shares in it.
5. Members of the family who are not actively engaged in the company in any capacity, whether as workers or owners.
6. Members of the family who are employed by the company but do not own any shares in it.
7. The people who live in all three rings are owners who are also members of their families and who are employed by the company.

1.1.3.1 The field concerned with studying family businesses

Family businesses, regardless Corporations, regardless of their size, legal structure, amount of industrial activity, degree of socio-political and market development, and other factors, have long been and will be an integral part of national economies. Throughout history, family businesses have been, for the most part, the foundations of durable organisations. Their significance increases in tandem with the progression of socio-cultural norms, technical innovation, together with the supposedly new market order brought about by globalisation. Family business study is a relatively new academic subfield that was established not too long ago. There has been a history of journalistic exploitation of practitioners' approaches to this topic in its early stages, while academic research has often been data driven. This is arguable, and it is possible that this was the case. In spite of the use of ever more complex empirical and analytical processes, research that is based on causation has remained simplistic. Despite this, there has been a recent uptick in the production of theoretical and conceptual publications.

Furthermore, rather than systematically investigating and advancing theoretical paradigms, the researchers' principal goal was to resolve phenomenological concerns. Succession, corporate governance and associated structures, and performance were

the primary foci of previous research. However, these studies neglected to identify key characteristics and the linkages between them, which prevented them from producing sound theoretical conceptualizations. Because of its rigour, depth, and relevance, and growing number of studies focusing on family companies have been published in renowned mainstream journals today. The researchers have evolved beyond the descriptive case study and the survey research, and are now using the triangulation methods, which are guided by theory.

1.1.3.2 Recent developments

The new century has seen considerable advancements in family company research, with regards to both the quality and the expression of fresh trends and the founding of key international organisations. These improvements have occurred throughout the new millennium.

There has been a significant upturn in the publication of research in this area, with a particular emphasis on studies of listed family firms and their performance, agency costs, and nepotistic altruism. This is consistent with the developments that have taken place in this field. These noteworthy studies, among other things, have contributed to the overall improvement on the subject of the family company. This area of study includes articles that help validate theoretical ideas, case studies, and quantitative and qualitative processes using primary, secondary, narrative, and ethnographic methodologies. Research, theory, and practice in family businesses have unquestionably grown in recent years and practise is considerably aided by the contributions made in this collection. These existing pieces of study and conceptual writing are presented here:

- Backs up the idea that family businesses are important in society and the economy
- Discusses operational and definitional questions about what makes a family business
- Lays out the field's evolution in a systematic way
- Uses methodologies that take a macro and micro view

- Explains the theories, concepts, and paradigms that support family business entrepreneurship

- Backs up the idea that family businesses are important in society and the economy the primary.

1.1.4 Succeeding in Family Businesses

Family companies are defined by substantial degrees to which family members are involved, and which usually include family members' contributions. There are an enormous number of family business owners and managers around the globe. There is usually a lot of family engagement in family enterprises. It has been suggested that researchers should look at entrepreneurs' acts through the lens of family embeddedness and include family traits for a fuller picture of the subject. It's possible that enterprises run by families have been around the longest of any kind of company organisation. Farming was one of the first forms of family business, and it was common for the farmer's personal and professional lives to be entwined on the family farm. In metropolitan areas, it used to be common practise a doctor's office or a storefront to share an address with they practised medicine. Additionally, it was common custom for relatives to pitch in and help out with the company whenever needed. Ever since the first 1980s, there has been a development in the field of academic research known as "family business" as a unique and significant category of company. In today's global economy, it is common knowledge that enterprises run by families are among the most significant and active players. Family firms may have certain benefits over different sorts of business structures because of their propensity to think about the future, their commitment to quality (typically associated with the family brand), and their reverence for their employees. However, due to the merging of family and business responsibilities, family enterprises also face unique challenges in management concerns. These challenges may be difficult to overcome.

In addition, family companies often have the purpose of passing the company passed on to the next generation, which is a major source of anxiety for family companies resulting from the need to address succession issues. An important aspect of succession planning is identifying the next generation of company leaders who will assume the role of chief executive officer. Regrettably, only about a third of family-

run businesses survive from generation to generation, and even fewer have remained in the same family for over sixty years. Moreover, they are also dealing with the difficulties that the coronavirus epidemic has brought about. According to Peter Englisch, the global family company leader for PwC, "typical family business advantages such as strong values, patient capital, long-term objectives, and rapid decision-making are being challenged right now." The bulk of family businesses just do not yet have the data necessary to draw any strong conclusions about whether family enterprises will be more resilient than other sorts of corporations not develop.

1.1.4.1 Different Management Challenges Encountered by Family Businesses

The fine boundary that distinct family life and professional life: For example, the methods in which people generally interact with one another while considering a family's dynamics suitable when it comes to professional settings. In a similar vein, personal issues or competitions may spill over into the working environment, leading to problems for the company. In order for a family-owned firm to be successful, the owners need to maintain the lines of communication open, use the resources available for strategic planning, and, when necessary, seek the advice of outside experts. For example, if a family member aspires to the position of president but lacks the qualifications compared to a non-family employee, the firm's welfare may be jeopardized along with the personal interests of the family member direct opposition to one another.

Staffing and Termination Procedures: A significant number of family-owned companies struggle when it comes to defining the standards and requirements that must be met by family members who want to be employed by the company. Some businesses, in an effort to reduce the likelihood that its employees may get involved in a dispute with one another, prohibit the employment of individuals who have particular familial links, such as in-laws. Family companies are often subjected to pressure, to recruit family or close friends, despite the possibility that these candidates lack the necessary aptitude or expertise to make a significant contribution to the company. Once recruited, persons like this might be tough to terminate, even if they end up costing the organisation money or lowering the morale of other workers due to the terrible attitude that they consistently demonstrate.

Distributing profits and paying salaries: Additional difficulty that commonly arises for family companies is the issue of how to pay family members who work for the company and how to distribute the company's revenues among those family members. Small businesses should be able to reinvest a significant portion of their profits into expanding their business. On the other hand, some members of the may not see the point in making investments that reduce their present dividend pay-out, especially if they are just owners and not employees. From the above synthesis of opinions, it is clear that individuals must possess the necessary competencies, character traits, and dedication to effectively navigate the conflicting interests of family members and/or one or more family members with the business's interests.

1.1.4.2 Methods for Managing Succession in Family Firms

Several research and surveys have shed light that between one-third and half of all family companies do not have someone lined up to take over in the succeeding generation. A succession plan's premise is fundamental to the operation of family enterprises. The process by which one connected event follows another in time is known as succession, as is this form to a chain reaction of interconnected occurrences. In almost all family companies, succession becomes the primary concern over time. Instead of being a straightforward action, succession is more of a multi-step process. It is essential for the family company to determine if it can continue to function normally over the far future. Inherent in family enterprises is the concept of succession, which might interpreted in a number of different ways, which is similar to the notion of family businesses itself. According to the definition, of a FB succession is "the passing of the leadership baton from the founder to a successor who will either be a family member or a non-family member." This successor may not or may be a member of the founding family.

According to Webb, "the process of moving the management or the ownership to the next generation" best describes considering who will lead a family company in the future. Consequently, there are two people who will take over the family business distinct procedures. It encompasses both the planning of management succession and the planning of ownership succession. Either one of these two procedures may be carried out simultaneously or independently. Planning for the ownership succession may follow the planning for the management succession, according to another

suggestion. Reason being, management succession is backed by the ownership succession strategy. Most people family firms are owned by a single entity, which allows them the freedom to make choices quickly and to adapt their business model as needed. It is not necessary to conduct a lengthy hearing that is broken up into numerous parts in order to process the material; rather, choices are based on one's talents and expertise. One of the advantages of running a FB is the increased likelihood of having autonomous decision-making authority.

Combining one's family life with professional life makes the day-to-day interactions easier. The relationship between the family and the firm allows for quicker decision-making, which is to a greater degree than with external management, since the owner is willing to take a personal risk while making decisions. Owners of family enterprises, according to Morris's observation, are more likely to focus on resolving interpersonal conflicts than on planning for fiscal obligations. Some have proposed the idea of creating a "relationship charter" to help with the strategic management of family connections, similar to how relationships outside of the family should be handled when dealing with clients or suppliers.

Jaskiewicz investigated the idea of an entrepreneurial heritage in order to explain how the capacity of families to instil the entrepreneurial principles and spirits of family company founders in subsequent generations contributes to family businesses' prosperity. The practice of transgenerational entrepreneurship, defined as the practice of passing on a company from previous generation to the next, is fostered by families via their legacies next.

1.1.4.3 Family Business Experiments

The form of disagreements that arise in enterprises run by families is often unique for the reason why the business's members are also connected to one another. When things aren't going well for the company, particularly financially, disagreements tend to come to the surface. The difficulties that the family faces financially may lead to arguments between themselves. A significant number of the disagreements may be traced back to financial concerns. It is common for disagreements to be seen as a danger to the cohesiveness of the family; as a result, candid and critical communication may be avoided. When one is actively attempting to stay out of

confrontation with someone else, it may be challenging to have a dialogue simultaneously open and critical.

Family members are often perceived as little enterprises, and since they try to avoid taking risks, they are often seen to be less successful than firms, which have decentralised ownership and management. Family enterprises often run on the owners' own funds, therefore any potential losses will have an immediate effect onto one's family. Using "own money" in FBs encourages investment and risk-taking strategy, and it does not cause these enterprises to be any less successful than businesses that are not owned by the same family. Family enterprises often do not use outside financial resources since it restricts company expansion.

1.1.4.4 Family business values in small and medium sized family businesses

Family companies are distinct from other types of enterprises since they are often run with substantial input from just one family. Several scholars have pointed out that family dynamics provide the biggest risk to the expansion, prosperity, and continued existence of a family-run company. When it comes to running the family company, controlling the relationships within the family is frequently more important than managing any other component of the organisation. It has been shown that the interpersonal dynamics that exist between members of family enterprises are a significant contributor to the limited percentage of successful intergenerational business transfers that occur within family firms. The importance of relationships within the family will be the determining factor in determining whether or not family businesses and the contingency process are successful.

1.1.5 GOVERNANCE IN FAMILY BUSINESSES: EVIDENCE AND IMPLICATIONS

The long-term success of businesses owned by families depends significantly on the quality of the governance in place. This study compiles the available research on governance in family businesses, draws conclusions, and offers suggestions for more efficient and ethical governance that is based by solid principles. Family companies have to navigate the complexities of both their personal and professional relationships, including the expectations that are passed down from generation to generation, in addition to the pressures that are placed on them by the demands of the

company itself. Good governance involves having systems and structures in place that explain connections, rights, and obligations in order to guarantee that enterprises are managed in a professional manner, regardless of whether the managers are family members or members of another family. Codes of practise have been produced by governments and industry organisations in a variety of nations, and in some cases, legislation has been enacted, with the goal of ensuring that good corporate governance is practised. Because of this, it is of the utmost importance to make sure that family companies are successfully regulated. The G20/OECD Principles of Corporate Governance provide a concise explanation of why good governance is necessary by stating that "excellent corporate governance is not an aim in itself."

1.1.6 WHAT SKILLS DO YOU NEED TO HAVE IN ORDER TO RUN A PROFITABLE FAMILY BUSINESS?

The fast development of family offices across generations and locales may often have a negative impact on the achievement of a company. It still is necessary for every firm to have a proper leader in place, despite the advent of cutting-edge technology that enable business owners to optimise operations and better manage their personnel. The proprietor of such a family office has to have a firm grasp on the requirements of both their company and their employees.

1.1.6.1 The top five traits of a family business owner

At Trusted Family we recognise that every family office is distinct, but for a company to grow, someone person with a certain combination of talents, beliefs and traits has to seize the reins. Because of the rapidly shifting contexts in which we operate, it is even more critical for owners of family businesses to be forward-thinking and quickly adaptable. Because of this, we have compiled a list consisting of the top five qualities that any successful FB owner should possess.

1.1.6.2 Determined

It's crucial to keep your motivation up if you want to be successful in company, especially when you're managing a family office, which may be quite difficult. The owners of family businesses often share the trait of determination since overcoming specific challenges calls for a particular amount of competition, drive, and

concentration in order to guarantee that objectives are met and that partners continue to be happy.

1.1.6.3 Goal-Orientated

Setting goals that are both attainable and worthwhile requires a significant amount of organisation and determination. Keep your sights fixed on the goal at all times. Nonetheless, it is imperitive to place SMART objectives that are attainable along the way. Work your way backwards from the desired outcome of your family company to ensure that you continue to move it forward. You'll be able to better manage your time and increase the likelihood of your company's success by determining what it is you need to do and how you'll go about doing it.

1.1.6.4 Creative

It is never simple to transition ownership inside family businesses and offices. This shift has the potential to bring about changes, namely the introduction of new and original ideas that might steer a family company in a different path. When it comes to putting these changes into effect, creativity is essential since traditions can hinder the way of development and, as a result, impede a company from attaining its long-term objectives.

1.1.6.5 Open-Minded

Any person who owns a family office should make it a point to always have an open mind. Although being committed and goal-oriented is essential for the success of a company, being open to new ideas along the route may propel a firm even farther. In order to foster advancement and expansion, the owners of family businesses need to be prepared to embrace alternative ideas and diverse points of view.

1.1.6.6 Resilient

The management of a FBs is not without its share of challenges. When it boils down to maintaining a flourishing family company, the capacity to bounce back from setbacks and challenges is an imperative quality for the owners. Along the route, there may be difficult barriers and unsuccessful attempts. As a result, for a family company

to be successful, it needs a leader who is resilient both in the face of adversity and in the long-term and is capable of continuing operating effectively.

The owner of a family office, and the manner in which that person leads and manages their staff, will have a significant impact on the business's trajectory going forward. Trusted Family takes great satisfaction in the fact that it offers cutting-edge technological solutions for family businesses. These solutions provide these leaders with assistance and make it possible for family office members to remain connected even when they are located in different parts of the world.

1.2 OBJECTIVES AND AIMS OF THE STUDY

- To study Indian Family-Owned Business Succession Planning Patterns with Particular Reference to Automotive Component Small and Medium Enterprises (SMEs).
- To identify selecting a successor in Indian family-owned businesses, with a focus on automotive component small and medium businesses (SMEs).
- to explore consider the topic, and determine the most important parts of succession planning
- to propose the variables affecting Succession Planning in SMEs that might be examined further in order to reduce the unneeded aspects in decision-making
- to examine Survival and sustainability challenges have had an impact on the thinking and structure of FOBs' leaders.

1.3 SIGNIFICANCE OF THE STUDY

There are three ways in which this research will add to the body of knowledge. In the first place, it identifies the trend in FOBs in India, which may be used as a basis for policymaking, collecting historical information, and identifying patterns in the automotive-components SME sector. As a second benefit, it will enable FOBs better understand the essential criteria that influence the selection of a successor and provide a roadmap for the development and grooming of incumbents. Many key results regarding FOBs, especially with regard to Succession Planning, will be revealed and documented in this chapter.

1.4 SCOPE OF THE RESEARCH

This investigation is being conducted for a variety of reasons. In the first place, it is recognized that previous research tends to overlook the role of emotions in Succession Planning in family-owned and family-managed companies. Succession Planning must be in line with the organization's strategic management, however there is very little literature to back this up. Because so many firms are family-owned in countries like India, discussing about a succession is very secret. This suggests that corporations are still unwilling to accept new ideas. This twenty-first century is an era in which every company house is aiming for sustainability, and so, study on SMEs and their sustainability is crucial. Hence, the chosen population was SMEs. Fourth, the Indian economy's industrial sector has been a major worry. As a consequence, investigating this area will undoubtedly add to the body of knowledge. All of the above provided evidence lends credence to the rationale for this investigation.

CHAPTER – 2

LITERATURE REVIEW

2.1 THEORITICAL FRAMEWORK

2.1.1 Overview

The conversation most family firms aim for one of three things when it comes to the future of their company: either "longevity," the continuation of the founder's work, or "succession," which refers to the continuation of the company's previous successes. There is a distinct set of objectives that define each of the three groups. For this reason, continuity is often defined in literature as succession survival, long-term survival, achieving the founder's legacy, or longevity. The term "lifespan" may be defined in several ways. Arz and Kuckertz (2019) and Lumpkin and Brigham (2011) both state that continuity is one of the three features that constitute a family business's long-term focus. Perseverance and a focus on the future are two other aspects that make up the concept of long-term orientation. This shows that a FB not only has a goal for the future and abides to it, but also, and perhaps primarily, it should be able to absorb disruptions at certain points in time while persistently working toward its ultimate mission.

Family business scholars have highlighted prioritizing the initial generation's succession as vital for the continuation of the firm. However, continuity in and of itself is distinct from succession survival. Involvement of family members from the start is crucial throughout the succession process. During this period, current and future members of the family who are considered prospective successors to the family firm begin to actively participate in its daily operations. First, there was the body of knowledge-based research that sprung up in the '80s and '90s as "succession," or the effective transition of an organisation from the generation of its founders to the generation that will carry it forward. Works by Dyer (1988) and Beckhard and Dyer (1983a, 1983b) dominated these areas.

The second type of research conducted throughout the 1990s centred on previous achievements, sometimes known as "the founder's legacy." The phrase "achievements and historical accomplishments" piqued the imagination of academics back then since

it told a tale of triumph. During this stage, the conversation shifted from a focus on short-term survival to an examination of historically successful family enterprises, with a particular centering attention on both the accomplishments themselves and the strategies used to get them. People turned to the past to identify the familial and professional reasons and qualities that had helped the family business succeed. This viewpoint is still widely held in contemporary academic circles. One example is new forms of imprinting within families' perspective, which theorises that "the long-lasting legacy of previous family generations shapes different approaches to innovation and tradition depending on the content imprinted on the current family generation." Erdogan, Rondi & De Massis The topic of "longevity" is the subject of the third category. Other academics are more concerned with the long-term viability of family firms, despite the fact that many academics maintain an emphasis on FBs by capitalizing on their current and past successes. Languishing, , long-term orientation, sustainability, intergenerational, and intergenerational family enterprises are some of the issues that are examined in this area as they pertain to the continuation of family businesses. The crucial three components that make up a family firm's long-term perspective are persistence, continuity, and futurity.

All of these ideas about the continuation of the importance of preserving a family firm from its inception, using strategies that will lead to its growth, and passing it on to succeeding generations are emphasized by family enterprises. The plan is to keep the family company going for as many generations as possible, ideally for an extraordinarily long time. But we don't know where the continuity could be located based on past success, passing ownership down through the generations, or longevity. It's a position of accomplishment that is attainable at every point in time and in any generation. The mainstream of the benefits and qualities that define a fruitful family business, such as continuity, are outcomes, rather than goals; they are the outcomes of a commitment. Because of this, there is a pressing essential to examine the possibility that familial influences had a role in maintaining the status quo. Researching this impact requires observing the family company in question while paying close attention to its internal and external environments and analyzing the difficulties it faces. Success for a family business hinges on their ability to keep the company running. But if we want to know what successful entrepreneurs do and how they achieve it differently, rather than focusing on their traits, it would be wrong

(Davidsson, 2004). It is more accurate to focus on how they vary. Like that other theory, this one looks at the causes of business families' longevity from the get-go. It investigates the parts of a firm that family businesses are ready to keep, including the antecedents that make it feasible for business families to continue operating businesses.

2.1.1.1 A temporal component of the longevity of a family firm

When discussing family companies in academic works, the idea of "continuation" is discussed in three different kinds of research; nonetheless, the questions of "when a desire and commitment for steadiness emerges and when it is accomplished" are seldom answered. The first kind of family business is considered to have continuity if it has survived for more than one generation while still maintaining its previous successes. The second definition states that, continuity is the ability of an organisation to go on even after its current owner(s) have left it. In the third category, continuity is defined as the maintenance of the family's previous accomplishments or pride among relatives. Hence, the continuity of family enterprises takes into account all three dimensions of time: the past, the present, and the future. The first definition of continuity thinks of it in terms of longevity in terms of intergenerational ownership. This means that it emphasises carrying over the prior successes of the family company and expanding it to the greatest extent feasible. When considering the duration of a family firm, continuity is sometimes quantified by the amount of generations that have been involved in the company's ownership. The survival of the family business is an issue that affects every member of the family the defining qualities of such an enterprise. For instance, cases when there are no or insufficient numbers of males to carry on a company, it is common for women, spouses, daughters, and other relatives to step into positions of authority aiming to sustain the enterprise for long time as possible. Therefore, longevity and continuity are considered to be synonymous. "Longevity" is defined as going on with a long-standing family enterprise beyond the lifetime of its founder(s). The most essential component is ensuring a seamless transition from the founding generation to subsequent generations. In this context, "survival," "longevity," and "continuity" all refer to the same aspect of inter-generational succession.

The second definition throughout the life of a family company is the likelihood that the business will go on even after its original founder(s) or owner(s) have retired or passed away, with the surviving family members running the operation. It is very necessary for a "company to endure beyond the founder's lifetime." This brief explanation is not distinguishable succession from one generation to the next, the ability of a family company to survive beyond the lifetime of its founders, or the prospect of carrying on after the original owners or founders have departed and been succeeded by the surviving members. All of these ideas are related to the idea of familial continuity firm. When a company's founder quits for various reasons, including retirement, death, or even just a change in their line of work, the surviving partners in the company are faced with the decision of whether or not to keep operating the company. The surviving chosen to continue operations inside the family business, with the aim of giving it a fresh start in the future rather than selling it, putting it out of business, or dividing it up. If they do opt to keep the businesses in the family, one might then speak about the continuity of family enterprises. In this particular scenario, continuity refers to leaving the industry yet keeping the businesses. On the other hand, a choice like this or an event like the owners selling the business might take place several times within the very same age group. As an example, in the event that a more hands-on partner—for instance, a husband or wife—decides to step away from the company, the other partners may choose to ramp up their engagement so that the firm may be sustained until retirement and then passed on to the next generation. This would be the case even if the person who left was less active in the business than the other partners. The third scenario involves making certain that the company will continue to exist as a family accomplishment under its own name. " Regardless, the company may go on as before, however it would no longer be referred to be a family business but as an acquired organization. One of the reasons for holding on to a company's past, present, and identity might include the company's continued existence. This may also be one of the driving forces behind certain strategic decisions and a reluctance to change.

When discussing continuity, the passage of time is an crucial factor that cannot be ignored. This is due to the fact that members of the family are required to make a decision on a recurrent basis to ensure the company's survival. This fact brings to mind events that have or may have played an important role in the current state it is

owned by the family. Staying in business through many generations isn't what I mean when I talk about continuity; rather, I mean being able to weather a major storm that forces you to decide whether to keep going or fold. This includes keeping the business in the family over a longer period of time, maintaining family ownership, and maintaining family management organisation. These kinds of life-or-death moments for a company might occur multiple times during the course of its existence. In order to achieve longevity, businesses need to focus on their short-term viability, and this, in turn, is determined by the day-to-day choices that individuals make in order to achieve longevity. When a company experiences In the face of a crisis, such the loss of key personnel or just any choice to keep the business running instead of selling or closing it down for purely selfish reasons related to social and emotional riches, continuity may be seen as a means of short-term survival. To differentiate continuity from longevity—a strategy for long-term survival—the temporal dimension of continuity is crucial. This can be accomplished if we implement plans to keep a company so that family ownership may continue. One way to look at the longevity of a family firm is via its focus on the future, which has both historical and contemporary origins (Veider and Kallmuenzer, 2016). The words persistence, continuity, and futurity are often employed interchangeably in tales written by the current ruling generation.

2.1.2 A FAMILY BUSINESS' STABILITY

The time dimension that is covered in the body of literature that was examined refers it brings us full circle to the fact that, to qualify as a family business, an enterprise must exhibit traits typified by an emphasis on the future. On the other hand, family businesses tend to focus on the future, which may be defined as "the tendency to prioritise the long-range implications and impact of decisions and actions that come to fruition after an extended time period," can be accomplished by means of family business's future-focusedness, continuity-maintaining skills, and resoluteness. At its heart, this thesis seeks to comprehend the means by which founder-led business families ensure the survival of their own firms. This argument contends that phrase "family business continuity" is defined as "the day-to-day survival of a family company in preserving the family business and guaranteeing that the long-term purpose of the family business is ensured." This definition is used throughout the

thesis. Family businesses must ensure their own survival the short term and day-to-day operations in order to keep pushing forward toward their long-term goals. The fact that a family company has been successful in the past and continues to be successful now is the primary motivation for keeping this runs in my family. Preserving and maintaining the family's heritage, history, and achievements, both past and present, is a certain way to keep a firm going strong. To be clear, this is not an aim in and of itself; rather, the goal of continuity is to be seen as the by-product of long-term strategy orientation.

2.1.2.1 The building blocks of a family firm's longevity

Many different conceptual frameworks have been used interchangeably by writers to describe continuity and its precursors. But in contrast, one criterion cannot be considered equivalent to the idea of continuity by itself. These constructions, on the other hand, are distinct in their nature yet indicate the same would prefer that the business remain in the family. One defining feature of a family firm is the commitment to maintaining the same leadership from generation to generation. The concept of "continuity" may be better understood when viewed in isolation from other ideas like succession, transgenerational survival, or exit strategies, and when considering the future and long-term orientation of family members from both the founding and succeeding generations unfortunately, the question of which parts of the business will be maintained. Family companies are unique in that they adhere to the principle of "continuity" which facilitates the incorporation of new ideas "continuity" with the other distinguishing features, thereby transforming those features into "ownership continuity" and "management continuity." In both instances, family members continue to serve in managerial and ownership roles inside the company, and the family enterprise does not dissolve.

2.1.2.2 Family members' on-going participation in the management

In a family business, "continuity of management" means that the same people have been in charge for at least two generations, which bodes well for the future. To be more precise, when at least one member of the same family serves as CEO and/or owner, spanning many generations, we say that there is continuity of management actively involved in a firm's primary business. This assures that beyond the present

generation, the firm will continue to be handled by members of the family even after the business is passed down to subsequent generations. It ensures that the following generation will have the opportunity to take over administration of the family company from their parents. The most important concept to get from this is that the leadership of the company is comprised of members from many generations, each of whom is qualified to run the company far into the future. The continuity of a company's leadership across time is an essential component to ensure its continued existence. Yacob (2012) demonstrates that companies that were operating in difficult conditions, such as conflict and an unfriendly political atmosphere for international owners prioritised continuing managerial succession over ownership succession in order to ensure the longevity of family businesses. This was done rather than passing on ownership directly. This indicates that families should aim for management maintaining some kind of continuity in the event that their ownership of the company is threatened. If a corporation's owners are compelled to leave a country due to its unfavorable political and cultural environment, the company may nevertheless operate there as long as management continuity is maintained. This keeps the business from collapsing and losing all of its invested capital. As Yacob (2012) elaborates further, this was made possible by the German company Behn Meyer, which operated in the Southeast Asian markets of India, Malaysia, and others during the two world wars and the decolonization and post-colonization tensions in regions where the British colonial administration had placed strict restrictions on German-owned businesses. Despite the limitations imposed by the British colonial authority in the regions, Behn Meyer managed to accomplish this. This form of management succession plan was designed to be adaptable and responsive to its surroundings. Experienced executives have become members of the board of directors, bringing with them the local experience and viewpoints that have shown to be beneficial in guiding decision making.

2.1.3 Theoretical Bases for the Permanence of a Family Company

The literature review that was presented in the previous section after researching the topic of family business continuity—including its definition, components, and overview—it became clear that this is a task that must be performed on a daily basis. The motivations for maintaining a family company with the goal of achieving success

over the long term have been discussed in the literature in a variety of different ways. However, the manner in which it is carried out is not expounded upon in the portion that came before. Now an explanation is given for each of the potential ways, with an emphasis on locating the primary one that serves as the foundation for this thesis's line of reasoning. The following perspectives are presented: Families in business make sure their companies last by diversifying and growing their holdings. They also get other family members involved, or "socialize," to make sure the family portfolio will be around after this generation. This process, like building a portfolio, requires each and everyone in the family to be committed. Everyone in a family has to be on board for all of these things to happen. There will be further work on commitment, socialization, and portfolio literature in the later parts. At the end of the day, it is determined that commitment literature is the primary guiding factor in the continuation of the family enterprises. The idea of commitment is expanded upon on a multi-level scale to show how various individuals become devoted to a family's survival in various ways company.

2.1.3.1 Family portfolio

In accordance to the literature on portfolio entrepreneurship, founders or habitual entrepreneurs build enterprises and evolve their operations by founding or acquiring numerous projects. Owing this, these entrepreneurs control a minmum of two different businesses. People that launch numerous companies simultaneously, rather than one at a time, might be said to have established a business conglomerate. In order to properly categorize the literature on portfolio entrepreneurship, it is necessary to separate novice entrepreneurs from habitual entrepreneurs, portfolio founders from serial entrepreneurs, and portfolio founders from beginners. People who have just inherited, started, or bought a single firm are known as newbie entrepreneurs, habitual entrepreneurs, or portfolio entrepreneurs. Entrepreneurs that start businesses and then continue to grow them are business owners who have created a business, closed it down or sold it, and then went on to create another business, close it down, or sell it. Entrepreneurs who build, inherit, or acquire other enterprises are known as portfolio entrepreneurs or habitual entrepreneurs. Hans Nielsen Hauge was active from 1771 until 1824. Another example of this may be seen with Ryan Smith, who lived in Dublin City, Ireland, and passed away in 1999. After his passing, the Irish media

referred to him as "one of the finest businesspeople of his age." Entrepreneurs kept their businesses going through a variety of expansions by relying on their resources and their established reputations. In 1932, they began by supplying construction materials; in 1961, they expanded their operations overseas; in 1970, they expanded their businesses by merging with other companies; and in 1978, they gave up and started new businesses. Numerous Ugandan families have built successful companies from humble beginnings; examples include the Madhvanis, Sudhir, and Wavamuno groups. These families are involved in various parts of the country's economy. Here are a few more examples of famous Ugandan entrepreneurs from portfolio families that have built their businesses and brought a wide variety of goods and services to the area.

The literature on portfolio entrepreneurship and intrafamily entrepreneurship go hand in hand with an entrepreneur or a group of entrepreneurs who have started or purchased two businesses. Next, let's talk about family portfolios, which differ from individual portfolios in that they are, structured more like a federation of enterprises owned and operated by different individuals of the same family rather than a single entity. Secondly, a single individual's portfolio, is started by only one person. The fact remains that portfolio entrepreneurship offers a guarantee of future succession for the firm to members of the family. The family unit provides a useful lens through which to examine the social institution that shapes the values of its members, and these moulded values impact the decisions that family members make about their attitudes and behaviours. The founders play an important part in developing and influencing the values held by subsequent generations of members, which vital to the survival of the business.

One strategy for carrying on a family company is to spin it off into many companies. Another alternative is to establish satellite businesses, which can also contribute to maintaining business continuity. In this scenario, a company's identity plays a role in the choice to shut down a satellite firm instead of selling it, and this tactic helps keep the remaining businesses afloat in times of crisis. This part and the one that follows on the topic of socialisation are really very similar. Actually, individuals who are frequent entrepreneurs or who are founders of family firms do more than only build business empires but also provide opportunities for other members of the family to

learn from them, thereby igniting their responsibilities. This is necessary because No one individual can guarantee the company's prosperity. Another issue is that portfolio entrepreneurship is more of a growth strategy than a means of livelihood. Consequently, portfolio literature fails to provide a satisfactory explanation for the durability of family enterprises. Literature on portfolios often leads to literature on socialisation, which examines the ways in which members of a developing family company collaborate with one another to maintain the family portfolio. The next part provides an introduction to socialisation literature and the continuation of family businesses.

2.1.3.2 Socialization literature

The socialisation literature on organisation studies views the continuation of an organisation as being analogous to a dance, in which one partner may sometimes be changed by a different one without interfering with the dance's rhythm or flow. An intriguing phenomenon that occurs in family companies is the intergenerational succession phase, which is like a dance between two generations interacting. It may seem that the founders and successors aren't on the same page, yet this dance-like transition does happen. As a means of guaranteeing the company's longevity from the founder's perspective, it is necessary to educate and mentor possible heirs. Because "failure to involve the next-generation might put the family business continuity at danger," it is crucial that the founders fulfil their socialisation obligation. This is also important for the continuation of the company. It is more probable for family farms to fail if members of the following generation would rather have better occupations than continue farming. This decreases the likelihood that family farms will continue in operation. The inability and unwillingness of the subsequent generation to work together might be a contributing factor to another failure. The founder's socialisation of the organisation might take the shape of ideals and beliefs, or it can be of value and family capital. The process of passing on values and providing training may be open to all of the founder's descendants, or it may be exclusive to those individuals who have the potential to succeed the founder. In general, increased degrees of identification, participation, and loyalty among workers are the end consequence of socialisation, which in turn leads to increased levels of organisational commitment. This is because socialisation determines the level of involvement and sense of

connection that dependents have in a family business. The moment has come for the people who will succeed the current leader to decide whether they will continue in their current professions or spend some time learning about and being acclimated to the environment and business culture before taking over.

On the other hand, if the successor is a woman, the socialisation will be determined by the leadership style used by the father, which may favour males or may be inclusive of males and females alike. Normative obligations in family enterprises are elaborated later in this chapter, but basically, the next generation feels obligated to be and remain a part of the family firm, thus they socialize with the current generation. This cognitive response develops in resulting the next generation perceiving support and guidance from their parents through this process of parent-child socialisation. Different academics have placed a significance on the shared or distinct responsibilities that owners and other family members, such those from the following generation, have in assuring the company's longevity. This is because of the fact that the present generation, as guardians for the next, is marked by an extraordinary commitment to the wee being and survival of the business. On the other hand, the traits of the family members in charge determine whether or not the company will be passed down through generations. Among these traits are the "owners' discretion, knowledge, and incentives," which pertain to the management of the company's purpose, basic competencies, employees, and connections with other parties. It is in the context of this stewardship that parents and owners plant the seed in the heads of their children for an individual normative commitment that, during the next generation's employment in the family company, blossoms during a successful dedication to the family enterprise.

A common explanation for continuity in socialisation literature is the basic idea of intergenerational synergy. The socialization literature has the flaw of being overly preoccupied with succession processes and dances, when in fact this thesis is all about strategies for continuity that family businesses can use whenever they want to enhance their focus on the long term and make sure they stay in business. For these reasons—that is, an emphasis on day-to-day survival rather than continuity as succession survival—this thesis forgoes socialization literature as a theoretical

framework. This theory shifts the emphasis away from continuity as succession survival and onto day-to-day survival.

2.1.3.3 Commitment

According to the research that has been conducted on organisational commitment, the word "commitment" refers to "a force that ties a person to a path of action of importance for one or more aims." "The essence of being bound to a course of action of relevance to a particular target" is one's frame of mind, which might represent one's "desire," "felt obligation," or "perceived cost." Devotion at its most fundamental level is "the essence of being bound to a course of action of relevance to a particular target." As a result, three bases for commitment have been developed on the basis of these three essences of commitment: "affective commitment," which originates from desire; "normative commitment," which originates from obligations; and "continuance commitment," which originates from perceived cost avoidance. As a consequence of the application of this commitment model, "commitment will lead to focal behaviour relevant to a defined target, which is the focus of the commitment, and potentially to discretionary behaviour, which can be understood as behaviour that goes above and beyond the call of duty." "Commitment will lead to focal behaviour relevant to a defined target, which is the focus of the commitment."

2.1.3.4 Foundational works in family business commitment literature

A literature analysis on the topic of family business continuity found that there seems to be three different logics that encourage business families to cling on to their firms. It's a strategy that goes something like this: "I want to continue it," "I have to continue it," or "what if I don't continue it?" approaches. The motivations that revolve around these three essential aspects of commitment are reflected in many ways across the evaluated literature and their associated causes. With respect to family enterprises, organisational commitment, it’s been the subject of a significant amount of research. The research that has been done on family companies has investigated the reasons for an individual's and a family's dedication to keeping a family business running. At the outset, a discussion on the literature about commitment in family businesses was initiated by Sharma and Irving (2005). The researchers looked at both the causes and effects of successors' dedication. In addition, they extended the basic model of

commitment established by Meyer and Herscovitch (2001) and included four more bases for commitment. Still, continuation commitment was once again a synthesis of the last two varieties of commitment proposed by Sharma and Irving (2005), calculative commitment and imperative commitment. I draw on three distinct forms of commitment—affective, normative, and continuation—in my theory. What follows is a discussion of my views on the three distinct kinds of commitment, paired with an analysis of the literature on the said subject pertaining to family businesses.

2.1.3.5 Emotional investment in family-run enterprises

Affective commitment, also known as want-based commitment, has desire as its binding force. This desire is one that has been cultivated via identity-relevance, shared values, and the engagement of persons. "The person is bound to the organisation through a psychological condition known as affiliation," In a similar vein, Dawson et al. (2015) draw the conclusion from their study on family businesses that people feel emotional commitment most often when these individuals' identity and professional objectives are matched with their family firms. This is due to the fact that people consider the company, to be an extension of both them, together with their surname.

2.1.3.6 Normative dedication in family-run enterprises

The normative commitment, also known as the obligation-based commitment, derives its binding power from the responsibilities that have been constructed based on the benefits and reciprocity norms, internalisation norms (also known as socialisation), and psychological contracts. In the context of an organisation, for instance, the employee's belief that staying with the firm is a morally imperative is what is meant,when we talk about the normative aspect of organizational commitment. A related study by Dawson et al. (2015) found that when people stay with the family business, it's mostly because of the expectations set by the family. Even if people were feeling pressured to inherit the family company, this was nonetheless determined to be true. Others remained loyal to the family firm because they anticipated financial backing from those closest to them.

2.1.4 Family companies' dedication to continuity

The cost is the binding factor in a continuity commitment or a cost avoidance-based commitment. A cost sensitivity may be formed based on investments or side bets, in addition to a lack of alternatives. The continuation component of an employee's organisational commitment in an organisation, for example, refers to that employee's commitment based on the costs that he or she identifies with leaving the company. This kind of commitment is referred to as "continuance." When it zero's down to a successor's dedication, research on family businesses similarly classifies this kind of commitment as falling into one of two categories: calculative commitment, also known as opportunity cost-based commitment, and imperative commitment, also known as need-based commitment. However, in more recent studies, the calculative and urgent varieties of commitment have been combined into a single category known as the continuity commitment. This classification was first proposed by Allen and Meyer (1990). According to the line of reasoning presented by Dawson et al. (2015), people remain with the family business owing to their anxieties about losing inherited financial fortune and due to the fact that there are few or no other professional pathways available to them.

2.1.5 INDIVIDUAL COMMITMENT TO A BUSINESS' CONTINUITY

2.1.5.1 Founders' affective commitment

It is quite necessary for us to give some thought to the reasons why a family has to keep running a company. All definitions of family company, whether they do so officially or implicitly, place an emphasis on the need for continuity and emotive attachment as the core of the enterprise. This kind of desire for continuity is what motivates family business owners to keep making passive and aggressive investments, in addition to reinvestments, just as they would in non-family businesses. This is especially true in situations when there are no succeeding generations. For this reason, they pass on this feeling of devotion to the people who will succeed them. In our example of founder-led company families, this is mostly the responsibility of the family leaders.

2.1.5.2 Next generation family members' normative commitment

In addition to the importance of female successors, Werbel and Danes (2010) and Van Auken and Werbel (2006) found that the dedication of a spouse was essential to the establishment of a new company and the continuation of a family firm. The non-family workers show the same level of commitment as the family employees. Their dedication has a constructive and substantial impact on the profitability as well as the survival or continuation of the enterprises they control. These qualitative and emotional qualities make it possible for a family company to be passed down across generations.

2.1.5.3 Family commitment to a business' continuity

This commitment to continuity is shown through a vision and a set of long-term objectives. Family members are influenced to believe in their enterprises and to stay resolute in their continuation by the continuity commitment, which is connected to family qualities such as family togetherness. These shared goals that members of the family have for the future also represent an emotional commitment to working toward the end goal of ensuring the continuation of business families. That goal of maintaining continuity through time evolves into a trait that is shared by many families, as well as the prosperous family-owned enterprises that include it in their mission statements using a variety of vocabularies. That is the same as saying, "we plan to maintain the business in great form for subsequent generations of the family," or "we manage the firm for the long-run," respectively. "These firms are built to survive their founders and to be handed on to following generations," said a member from the first generation of the family company. Sons are the traditional heirs to their fathers' businesses, but the reins of administration may also be passed down to siblings, cousins, sons-in-law, and, in a small number of instances, spouses and daughters. This excerpt demonstrates how the implicit primary purpose of the family firm is to maintain its status as a going concern. In Barbera, Bernhard, Nacht, and McCann (2015)'s words, "the business was sustained through a social process of the personal development of the next generation," which involved the creation of awareness, as well as the learning and knowledge co-constructing that took place about family businesses in a particular family context.

Aside from this topic of succession, the continuation of a family company is decided by the option and decision of the family members to either streamline the governance procedures, keep a continual process of renewal, or separate the family business. The upkeep of that process in a constructive manner that exemplifies "proper governance" and "facilitates the continuation of entrepreneurial drive through generations" is what ensures the longevity of a company. This is done ensuring that their business is not taken advantage of by anyone else in the event that they are unable to continue operating it.

2.1.5.4 Organizational commitment for a family business' continuity

According to Basco (2017), the objectives of a family company bear an effect on the choices that the firm makes, and these family business goals and the actions that are connected to them are the antecedents of the business continuing to operate, among other consequences. In addition, the conduct, performance, competitiveness, and best practises of the family enterprise, including sustainability, are the examples of family business results. When making significant choices, a family must strike a right balance between the several competing dualities that represent the interests of the family business. "a multifaceted notion produced by economic and social components that incorporates two scales: economic vs non-economic orientation and family versus business orientation," is how the idea of family business objectives has been described. Because each orientation adheres to a certain line of reasoning, whether it be a family line of reasoning or a business line of reasoning, each objective is significant either for the family or for the enterprise. Because of the nature of the aims of a family company and the decision-making process of a family business, a family firm is more focused on the maximising of utility as opposed to the maximum of profit. Yu (2013) discovered the aspects of family business choices by using a similar method of analysis. "Continuity and tenacity in pursuing a substantive rather than a financial objective" is a trait that distinguishes business families from other types of families in business. As a result, I have arrived at the conclusion that the objectives of a family company may be broken down into three categories: the family vs the business dimension, the economic against the non-economic dimension, and the short-term versus the long-term dimension.

The dedication that a family firm has to its founding family as well as the communities both inside and outside the company may be characterised by these aims and the decision-making processes that are connected to them. Any choice on business continuity that is made must be advantageous not just for the company, but also for the aforementioned groups. The "felt need to not only persist as a business but also as an active partner of the region, as well as responsibility toward employees and residents," is primarily the motivation for business families to strive for continuity, in spite of the fact that this is just one of the many reasons why business families pursue this goal. According to Holm, Eriksson, and Johanson's (1999) research, the connection between companies and partners in a family company requires both parties to be equally committed to one another and dependent on one another. In addition to the support of the larger community, the special care that a family-owned company shows toward the members of its employee community is another factor that contributes to the longevity of the enterprise. The family has a continuing vision and set of values, and as a result, they have crafted a plan that represents their desire to continue operating as a business family. This strategy is intended to benefit both the family and the community as a whole. It has been discovered that a family's dedication to the company it owns is favourably connected with the family's business strategy flexibility for taking advantage of new possibilities and protecting itself from risks in the surrounding environment.

2.1.6 CHALLENGES AND OPPORTUNITIES OF FAMILY BUSINESSES

2.1.6.1 Family business characteristics

The term "family company" may refer to a wide variety of firms, ranging from enormous conglomerates to modestly sized private enterprises (SMEs). Nevertheless, in contrast to other types of firms, family businesses have some characteristics that may be used to identify them. The expression "family business is much more than simply a company" is one that does a good job of describing family enterprises and can be heard coming from the lips of many family entrepreneurs. Although feelings, inwardness, and the maintenance of stability are frequent qualities of family companies, the traits of a successful firm often include being mission-driven, extroverted, and continually ready for change. The term "familiness" was coined by Habbershon and Williams (1999, 11), who described it as "the unique bundle of

resources a given company possesses because of the systems interplay between the family, its individual members, and the business." Family is what sets family companies apart from other types of firms and is what gives them their own identity.

The members of the family are brought closer together via the observance of family customs, which also helps maintain the family's cohesiveness. When it comes to business, honouring family traditions are a meaningful way to demonstrate respect for previous generations. Additionally, the distinctive resource known as "familiness" is formed through traditions. Because it helps ensure the family's existence throughout time, stability is a prime component of healthy families. Alterations within the family or arguments between family members might be a hazard to the steadiness of the family and can also be a risk to the continuity and steadiness of the company. Family enterprises are often characterised by a strong sense of loyalty. The feeling of duty should be maintained in regard to the family and the company. Earning each other's trust requires living up to the responsibilities of the roles we play, providing mutual assistance, discussing sensitive topics, and being fair to others. Dependency fosters solidarity, which in turn makes it possible for family members to seek assistance from one another in their efforts to achieve both, their own personal goals and the business's overall objectives.

2.1.6.2 Values in family businesses

Family companies are distinguished from other types of firms in a variety of ways due to their adherence to a core set of shared principles by which they operate. When it comes to running a successful family company, having a strong sense of both economic and noneconomic values is essential. These values are created when family and business come together. The family's beliefs and objectives are represented in the company, and they in turn influence the company's commercial strategy and its sense of social responsibility. The family business's values permeate all aspect of its operations and have a significant bearing on the way decisions are made as well as the culture of the company. They serve as the guiding beacon for family-owned and operated companies.

Family companies are about more than simply making money in and of itself. The pursuit of a meaningful life is, for many active business owners, the driving force for

establishing their own company. It is a way of life or a goal in life to run a family company, and life would be meaningless if that were not the case. When opposed to non-family firms, which are just required to maximize the amount of profit possible, the aims and objectives of family businesses are significantly different. In most of the cases, the culture of a family-owned firm is associated with "superior" ideals and goals. Rarely do family enterprises operate only for the purpose of making money. It goes without saying that the productivity of the business is significant; yet, this is hardly the sole nor the most significant reason for family businesses to exist. In addition, the family, the community, and the environment are all taken into consideration by the founders of the family company when making decisions.

The company's founder and its senior management have a considerable deal of power, which enables them to steer and advance the company in whatever way they see fit and in accordance with their own principles. The beliefs and perspectives held by the family business's founder have a direct bearing on the way the company functions and help to define its sense of social responsibility. Inline to the findings of their investigation, Garcia-Alvarez and López-Sintas (2001) came to the conclusion that the most prevalent value held by the founders of family businesses was hard effort. The next thing on the list was the importance of family. The values of development and ambition were ranked third and fourth, respectively, as the most admired. Koiranen (2002) looked at Finnish family enterprises that were over a century old and analysed the principles that they upheld. The proprietors of the family business came to the conclusion that the following set of values—honesty, integrity, operating in accordance with the law, excellent quality, and hard work—were the most crucial for the success of the company.

In family companies, maintaining continuity is considered to be the most essential principles and corporate objectives. Family businesses often operate on the assumption that the company was handed down as a gift from previous generations and should be paid back with interest by subsequent generations.

2.1.6.3 Three-circle model

The many ways in which family and enterprise interact are represented by the spaces where these three circles overlap one another. Because of this variation, developing a clear and concise definition of family companies is difficult. Because of this, it is difficult to differentiate clearly between firms that are run by family and those that are not. Every family-owned company has to have complete command over these three aspects of the firm. These three components will be managed independently, but the end goal is to have them work together in harmony and support one another. The dynamic relationship that exists between a family and its enterprise is what gives family enterprises their distinctive qualities. This contact establishes the fundamental essence and one-of-a-kind characteristics of family companies, and the study of this interaction is essential when attempting to get an understanding of family businesses. Both the family and the company have divergent motivations and objectives for their continued existence, which contributes to the conflict that exists between the two. The group of people involved in a family company is close-knit and cohesive.

Additionally, the dual responsibilities that certain family members play—for example, father as CEO—have an impact on the dynamics of the family, as well on the firm itself.

2.1.6.4 Family business theories

The idea that ownership and management are two distinct functions in a company gives birth to the concepts of agency and stewardship as approaches to organisational behaviour. On the other hand, this is not often the case with family firms, in which the proprietor and original originator of the company simultaneously serves in the role of CEO. Given that the owner and management of a family firm are often one and the same person, it is reasonable to conclude that there is either a significant reduction in agency expenses or none at all, as was mentioned before.

The agency theory says, difficulties develop whenever there is a conflict between the interests of the owner and the management of the business. The opportunism of management may result in concealed acts that are beneficial for management but go against the intent of the owners and may even be detrimental to the owners. These actions may be taken without the owners' knowledge. There is often less opportunity seeking activity on the part of management in family-owned enterprises. Because family companies place such a strong emphasis on mutual trust, they have a reduced need for control. There are, however, certain additional forms of agency costs that may worry family companies. These expenses are mostly associated with the altruism that is formed by the connection between a parent and a kid. According to Corbetta and Salvato (2004), the definition of altruism is "doing in a way that is not selfish and sacrificing for the benefit of others without expecting anything in return." Because their parents have given them everything they've ever desired without setting any limits or conditions, the children who help out in the family company run the risk of becoming spoilt freeloaders. It's possible for parents to develop an unfair prejudice or an inaccurate picture of their child's capabilities.

The stewardship theory is a management philosophy that emphasises the need of long-term commitment and attention to an organization's overall success on the part of its managers. When it is the organisation in question, the manager feels an intense sense of duty.

According to this notion, having resources that are precious, uncommon, unique, and unrepeatable may provide a company a durable edge in the market. The capacity to make use of these one-of-a-kind resources effectively is the foundation for achieving

success. The word "familiness" refers to the distinctive assets that are produced whenever a family and a company are involved in a mutually beneficial relationship. The accumulation of social capital takes place when the behaviours of all parties become predictable, when no one is behaving dishonestly, and when everyone is bothered for their own interests. The predictability arises due to interactions that give rise to norms, mutual identities, and shared objectives. The concept of social capital is founded on the idea that mutual respect leads to a greater degree of adherence to established standards. The resource-based theory and the social capital theory are the two that are considered to be the most important theories supporting the family capital model. It is possible for family enterprises to make advantage of the one-of-a-kind and long-term resource that is family money. This approach focuses on the distinctive competitive advantages enjoyed by family firms, which are produced by the people and social resources available. The primary objective of the family-owned company model is to impart its know-how, capabilities, and experiences onto the enterprise in order to enable it to function alone or in conjunction with other resources.

2.1.6.5 Family business Challenges

The combination of business and the more relaxed approach to decision making that is used in the context of family life may sometimes lead to confusion in the business world. It is essential that job duties and descriptions be outlined in detail, and that employees be rewarded in accordance with how well the company does financially. When paying family members who engage in operational management, family firms have a specific responsibility to exercise extreme caution. Rewards should never be given in a way that favours anybody or is unreasonable. Because of these ongoing changes in the nature of the environment in which businesses operate, it is impossible to assume that a company would flourish organically over time. When the policies of the family are immediately translated to all aspects of the company, it not only makes the operations of the business more difficult, but it also reduces the likelihood of the firm being successful. Personalities that clash in family-run firms are another common source of friction. It's possible that flexible decision-making is really simply another name for autocracy, in which one member of the family manages the others by intimidating them. The informal organisational structures that are common in family enterprises may allow for more flexibility, but they may also make decision-making more murky. In family-owned companies, the board of directors does not always function as effectively as it should, or its contributions are not given any value at all. The owner-manager is often the one who makes all of the choices in practise.

When there is a slump in business, interpersonal tensions tend to come to the surface more often. Open communication is avoided because disagreements are often seen as posing a risk to the cohesiveness of the family unit. On the other hand, this almost never helps the problem and almost often only makes people more irritated in the end. For instance, a person who is completely incompatible with the role of continuator of the firm can be selected for that role only for the sake of preserving amicable family connections. In certain cases, dismissals may be deferred for an exaggerated amount of time if the family-owned firm views its workers as an extension of the family. Family enterprises have always been seen as being synonymous with risk-averse small firms. When opposed to corporations, which have ownership and control that are distributed across the organisation, family businesses are often seen as being less efficient. The majority of "own money" that is used to support family businesses

comes from the family members themselves. Based on the fact that risks might have an immediate effect on the family, they are thoroughly investigated. However, being an entrepreneur entails taking risks, and a family business that wants to be successful has to acknowledge that dangers exist and not try to avoid them. Since of this, debt and outside investors are often avoided because family members can maintain the control of the business and assure its continued operation. This kind of conduct has the potential to stymie the expansion of the family company.

Family firms often only make minimal use of outside management, which may be detrimental to the accumulation of wealth. It is possible that a family-owned company's human capital will suffer if the company does not make use of renowned management from outside the company.

Family companies have numerous challenges, one of which is that the varied functions within the organisation are not always crystal defined, which may lead to disagreements. Human interactions in family companies are particularly difficult to navigate on the basis that family members who work there must interact with each other in a variety of capacities. The many responsibilities that are played in family enterprises are all connected in some way to the family, the company itself, or both. In most cases, disagreements emerge as a result of various jobs that carry with them a distinct set of expectations and objectives. For instance, if you are a family member, you want to maintain healthy family ties, but if you are a manager of a company, you have the responsibility of putting the best interests of the company first while still thinking about your own professional growth.

The most difficult aspect of running a family company is the process of succession, which involves making adjustments to the ownership structure, the operation of the firm, and the dynamics within the family. The most difficult aspect is determining where the continuator should go. Sometimes the continuator cannot be discovered inside the family, or it may be too difficult to choose from the several options who are available. There have been major disagreements and rifts between brothers, cousins, and other relatives as a result of successions.

2.1.7 FAMILY BUSINESS OPPORTUNITIES

Long-term business planning is a characteristic that is typical of family companies, and it is claimed that 25 years is the equivalent of a quarter in a family firm. Family businesses often have a patient and long-term dedication to the enterprise, along with an investment plan that is as long-term. It has come to our notice that a strategy focused on long-term planning and investments may prove to be more successful and productive than one that is focused on short-term profits. Instead than focusing on revenues in the near term, family companies aim for steady expansion. Family firms have the patience to wait for returns on their investments because they prepare for the long term and employ long-term strategic planning. They are able to accept risks in the near term while still anticipating returns in the long run. When a family owns a business, not only do they infuse it with more human values, but they also don't make their judgments only on how well it performs or how efficiently it operates. Responsibility, it is a fundamental family business ethic, and family firms are often highly responsible employers, both to their staff and to their customers, and they are also very responsible to the environment in which they operate. They accept long-term responsibility for the many stakeholders in their company, and as a result, their dedication to those stakeholders and the connections they have with them are stronger and more appreciated than in other firms. The fact that family companies place a higher level of trust in the connections they have with their stakeholders is one of the primary reasons why they tend to be more socially responsible than other types of firms. Trust is a major factor in both the longevity of a firm and its advantage over its competitors. Because the purpose of family companies is to keep the firm running from generation to generation, increase business development, and keep up the image of the family business and its owners, family businesses have access to greater resources that may be used to build and maintain trust. Close ties between the many stakeholders foster trust and openness in collaboration.

Family companies often have an especially strong relationship with their clientele, which enables them to be acutely aware of the myriad of specialised requirements that consumers may have. Family-owned firms, when paired with the capacity to respond rapidly to rapidly changing conditions, are in a better position than non-family enterprises to satisfy the requirements of their clientele in the most time and cost-

effective manner possible. In family enterprises, workers are not only seen as a source of labour but rather as unique people who are part of the extended family. Family-owned and operated companies place a high priority on their long-term employee connections. The owner and the workforce will have greater reason to trust one another as a result, which will make it simpler for them to reach flexible agreements. Family firms place a high premium on employee loyalty and retention; hence, they are less likely to let workers go, especially during difficult economic times, than other types of businesses. Employees also get the opportunity to experience the family company as a supporting partner who is always there for them when they need them.

Knowledge integration is a process that involves constant and ongoing contact among a group of people. During this process, fresh ideas and information are changed into new perspectives, beliefs, and practises. It is possible to see it as the ongoing processing of specific and tacit knowledge, through which the company as an organisation continues to acquire new information at all times. It's not uncommon for the proprietors of family enterprises to become well-known figures in the communities in which they operate. Because the family proprietors have typically been present in the community from the very beginning of the firm, sometimes even for decades, the family business often earns the reputation of a reliable and trustworthy friend. The neighbourhood thinks highly of the family company, seeing it as a resource that is both responsible and influential, as well as a part of the community. When a family business is aware of the requirements of the local community, it is more equipped to meet the specific requirements of its clients than a company that is unfamiliar with the community in which it operates and the people who live there. Family company owners often participate in the activities of local clubs and organisations because they have a desire to improve the overall health of the community. Values that pertain to human interactions and the interests of stakeholders are often emphasised in family enterprises. Values may also provide a competitive advantage on family enterprises, particularly if they are distinctive and difficult to mimic. Family businesses have the potential to differentiate themselves from other types of companies thanks to the distinctive principles that they uphold. The values that a family shares are what binds the family to the company, and these shared ideals provide the family with a purpose and an explanation for why they should continue to run the family business.

Not only does the owner of a family business have a face, but he or she also has an emotional investment in the firm in addition to financial stake in the enterprise. When compared to anonymous institutional investors, whose activities are more difficult to hold accountable, the increased visibility of the owner of a family firm results in a greater sense of responsibility on their part. If the owner and the company may be connected in some way, such as via the use of the owner's name in the company name, the owner will often have the experience that the reputation of the company is the same as his or her personal reputation. In their marketing, some family firms want to make a point of highlighting the family ownership. There is less of a need for employees to report to higher-ups when the firm is run by both, its owner and its management. This results in a flatter organisational structure. Family-owned firms have an edge over huge corporations that do not belong to the same family since they are often organised in a more hierarchical fashion, which makes it easier for them to compete with larger companies. Because the owner and the chief executive officer of a family firm are often the same person or are related to one another, these companies are able to make decisions more quickly and with more flexibility. Family companies have significantly higher odds of controlling their resources than non-family firms do since the ownership and management of family businesses are often held by the same people. Non-family businesses typically have decentralised ownership structures. The information may be processed without requiring prolonged or split listening at numerous different phases. Instead, decision-making in family enterprises is guided by a mix of tacit and explicit knowledge, which is gained through years of experience and honed abilities. Family-owned companies are in a better position to adjust to changes that come in the economic climate. Owing to this they are able to move quickly and base their choices on their accumulated knowledge.

The company relies on the members of the family as resources. If there is a strong feeling of cohesiveness within the family, individual members might go to one another for assistance in achieving their objectives. When a family runs a successful business, it brings the family closer together, and everyone pitches in to ensure the company's continued prosperity. It is something that may be appreciated and taken pleasure in as it forms a part of the family's history. The children pick up on how to behave in accordance with the family's values, which are often the same values as those of the company. The continuator picks up tacit information about the company's

operations starting as early as childhood, and they have a solid awareness of the company's culture and processes even before they have worked in the family firm themselves. In family enterprises, disagreements don't always have negative repercussions, and they don't always result in poor financial performance either. In point of fact, when it comes to family enterprises, they could really be helpful for the company in a variety of different ways. Through honest and open communication amongst members of the family company, formerly contentious disagreements over the organization's objectives, methods, and workload may be reframed as opportunities for novel approaches and processes. Conflicts, in the best case scenario, have the potential to have a considerably favourable influence on the operations of family enterprises.

2.1.8 CASE STUDY TECHNIQUE

In order to get an in-depth understanding of the complexities surrounding Succession Planning in SMEs, the case study technique was used to seven different businesses. Two of the seven were in the first generation of Succession Planning, while the other five were already well into their second generation of Succession Planning and had developed fairly methodical and all- encompassing sets and policies. However, in the vast majority of instances, succession was never planned, as a result of unavoidable circumstances such as health difficulties of incumbents, sibling rivalry, disagreements in the family over leadership, and other similar factors that led to change.

2.1.8.1 First generation successions

A&A Autotech

In the field of aluminium die-casting, AAA has been on the cutting edge of both research and invention ever since the company was first established. Die-cast goods have been the focus of the Research and Development department, which, using the most recent available technology, has come up with some promising new solutions. In a very short amount of time, AAA has achieved an incredible growth rate. In an effort to bolster its R&D capabilities, the company has established a fully functional laboratory. To this day, AAA satisfies the ever-increasing need of top auto giants such as Honda Motorcycles and Scooters, Hero Moto Corp, Denso, Magneti Marelli, UFI Filters, and many more. AAA uses cutting-edge CAD-CAM technology in

conjunction with the solid modelling software Catia V5 R22 (Pro-e Creo-1) to design dies, tools, and jigs with pinpoint accuracy. This enables the company's CNC machines to produce die-casting goods that are flawless. Castings are analysed using software developed with the most recent technological advancements, which are housed in our cutting-edge tool room (Flow 3D). Facilities that use high-pressure die-casting to produce automotive and non-automotive components may produce components weighing anything from 50 g to 4 kg in weight. The successor had been persuaded by his father to take significant actions to raise his own duties, and he had done so. When considering the company's growth in terms of sales, earnings, and the number of people employed, it is fair to say that the company has achieved a certain level of success in its development. The predecessor did not consider his son to be a natural candidate when it came time to choose a successor, and he ultimately chose someone else. It wasn't a decision until the board members suggested his name, and then he joined as the replacement after they made the suggestion. The predecessor made it quite plain that no one in his family may expect succession and that everyone in the family, including the son, the daughter-in-law, and any of the relatives, would have to earn the right to succeed him.

When his predecessor was questioned about succession, he said that it was a very important and difficult issue for any owner to make. And in particular one that is run by a family and in which every member of the family has a say in every aspect of the business and actively participates in its daily operations. It wasn't my son, at least not in my eyes... I am always of the mindset that the most deserving person should win. It's just a happy accident that my kid was the one who was picked by our squad. Although it might be a source of conflicting emotions to have your kid seated next to you in a meeting room, the fact that... However, in order to thrive in this extremely competitive period, one must be reasonable, analytical, and emotionless in their thought processes.

When questioned about his time while working for the firm, the successor said, "My father was quite honest and straightforward...and I always valued the same." Despite the fact that I was familiar with the selection procedure, I cannot help but feel content with the results. However, by integrating [a] few individuals from the outside as third party specialists for the next time, I will definitely make it more professional.

As a result of the fact that both the successor and the predecessor had a very logical approach to SP, the majority of the company's employees were quite satisfied with their jobs. They were optimistic about the development and progress that their professions would make. In general, the atmosphere was quite positive, with open communication and openness amongst all parties involved. Along the same lines as his father, the son showed respect for all of the company's operations by having a wide vision, an open comprehension, and the ability to see far into the future. The replacement said that his overall experience working for the firm had been extremely fulfilling; but, he did acknowledge that there were moments when things were challenging for him and that there were even instances when he pondered quitting the company in the initial years. He is very aware of the gravity of his responsibilities and takes great satisfaction in his contributions to the FOB.

Kamal CED

In 2009, Kamal CED Solutions LLP opened their doors for business with the intention of successfully catering to the requirements of both the market and its customers in the field of CED coatings. They have grown into a professional service provider in the field of CED coatings on automotive items in a relatively short amount of time. These coatings may be applied to a variety of automotive components with varying forms and sizes. They are able to provide cathodic electro-deposited coatings, often known as CED, in a timely manner without sacrificing efficiency or effectiveness. They are the first Indian coating firm to become a member of the Electrocoat Association, and this achievement is a direct result of the high quality of the goods and services that they provide. The formation of a solid infrastructure along with a wide variety of cutting-edge facilities were the two primary contributors to their level of achievement in this sphere. They are experts in providing impeccable finishes to automobile and automotive components using the highest quality CED coatings, and they provide their services. The fact that their vehicle CED coating has an effect that lasts for a very long time and deposits a coating in a very uniform manner, even on intricate patterns, is the most notable feature of this product. Furthermore, they make sure that the coating on the product's edges is perfect. Because they guarantee products of the finest quality, they have built up a large client base consisting of people who are very successful in their respective industries. They have a research and development

centre, which enables them to incorporate significant improvements into the coating processes. A group of knowledgeable individuals are in charge of running the facility. Their mission is to devise innovative development techniques that will improve the cost competitiveness of CED coatings for automotive goods. For the purpose of achieving lower baking temperatures and improved throwing force, a strong emphasis is placed on the use of CED of the latest generation.

The process of passing on responsibilities was marked by meticulously designed training and internship opportunities for the next leader inside the organisation. Regarding preparation for the role of leader, the individual who was slated to take over in this scenario had already earned his bachelor's degree in mechanical engineering. He was aware of the specific information that was necessary for the company, and he placed a high value on the following capabilities: those that were acquired through education, the ability to analyse and solve problems, and the opportunity to continue training after beginning employment with the company. Because it was always expected that he would follow in his Father's footsteps and take over the family company, he did not have any prior professional experience.

It was assumed that he would join the company as soon as possible when his father reached retirement age. His childhood was structured in a way that psychologically prepared him to enter the industry when he became an adult. In addition, the individual before you did not have any confusion. He says, "I began this company with a lot of suffering... have witnessed the thin and thick of this industry." There is one son and one daughter in my family. The daughter will get married and settle down with her husband after a few years, and the son was nurtured in such a fashion from the time he was a youngster to join my company. The daughter will get married and settle down with her husband after Because I am at a point in my career when I am unable to take risks, I decided that the best person to take over would be my son. There were no legal hurdles to overcome in matters pertaining to the transfer and the separation since he was my blood and trustworthy. And I am of the opinion that he was a naturally rapid learner. I don't want to throw away my years of experience and knowledge on some random individual who isn't very knowledgeable.

Although the previous leader unequivocally stated that he had never entertained the idea of retiring, he began delegating an increasing amount of responsibility in later

years. He acknowledged that this was the appropriate course of action, despite the fact he did not stop participating in the activities of the company. In his role as CEO of the family business, he was proud of his son's accomplishments, happy with the way things were running, and optimistic about the company's prospects. He had established a participatory and consultative environment, and he was always accessible to respond to any issues that were raised. Even though there were significant differences in the leadership styles of the predecessor and the successor, and even though there had been frequent disagreements as a result of the strong character of the predecessor, the successor considered his father to be the most influential person in his education. Nevertheless, they were seen as helpful, and there was no harm done to the personal connection as a result. According to the successor, "I was always prepared to join my father's company since I was always being instructed and taught on the same," which means they were always preparing them for it. Despite the fact that there were moments when I was studying when I wanted to pursue something different, things ended up changing as a result of the advice that my father gave me. Although my father and I approach leadership in very different ways, we are both quite sensitive when it comes to our company. We take a very methodical approach to figuring things out, and we have a great deal of respect for outside specialists.

The son's approach to leadership focused mostly on fostering better communication with the organization's workforce. He believed that a feeling of obligation for his father was the primary motivation for him to enter the company; nonetheless, he regarded that it was an excessive amount of responsibility and often felt that he was not reimbursed enough for his efforts. The successor had optimistic hopes for the family business in terms of both, the financial and the social advantages it might provide.

Kamal Envirotech Group

It was a well-known and respected company in the sector, and it was involved in the business of supplying various sectors with plants and machines that featured precise engineering and high levels of performance. 1992 marked the commencement of the company's modest beginnings, which were overseen at the time by Mr. RS Punia, the company's founder and director. They got their business off the ground by securing

yearly maintenance contracts with ETP and a plating factory with Indian Airlines. Since that time, they have made significant progress and are now recognised as a reputable service supplier of plants and machines for a wide range of industrial industries. Their items are made using cutting-edge technology, and in every way, they outperform those offered by their rivals. All of their offerings are incomparably better to those of their competitors. They not only sell their goods at costs that are highly competitive, but they also finish their manufacturing well inside the time constraints that are set without sacrificing the quality of the items in any way. Its unwavering dedication to provide nothing less than the very best to their customers has earned them a large customer base, which includes some of the many well-known brands in the business.

Since the beginning of time, our business has faced essentially the same challenges. The son was granted the ownership of the company along with the management. Although he had any prior professional expertise, he was familiar with the industry and had worked in it in an unofficial capacity in the past. The process of taking responsibility was completed in a relatively short amount of time, and the successor had no difficulties whatsoever in securing a job in management. The son joined the company not long after it was founded, and only two years later, he was put in control of the total operations. It was not difficult at all for the successor to get a formal promotion without having to take on any actual responsibilities. The parent participated in the process of the successor being trained in an active capacity. The communication was effective, and the individual who had had the position before me was willing to distribute tasks or permit involvement. Concerning the amount of dedication shown to the FOB by the successor, the latter's decision to join the company was a matter of convenience. Earning money by working in the company was the most practical and uncomplicated option available to me. This is how the next generation explains things.

It was the inhibitions of working with others, and a significant portion of the guilt lies with me.... I also worked at other jobs. Being the oldest kid and having a position of prominence in the family dictated that I should choose this course of action. I wanted to work so that I could support myself, and I couldn't think of anything else that could top this.

Although the replacement did not get the impression that he was pressured into joining the company, he did voice some reservations about doing so without first exploring other career opportunities, which he was looking at the time. Additionally, his expectations before to joining were not sufficiently grounded in reality. According to him: When I was younger, the firm was expanding, so its stake in the market was not so huge, but today it has grown more and is more important than it was before. And I realised that this was one of the many reasons why I had grown so serious about anything that has to do with business. Although I was a young child when I joined, I was able to easily understand that the people around me, particularly the sellers, etc., were attempting to seem intelligent or trick me; but, with the continual supervision and support of my father, I was able to make adult judgments (sic).

2.1.8.2 Second Generation Successions

Shivam Auto tech

When it came to particular matters concerning the handing down of power, the family maintained complete control and management of those affairs. As a result, the strength of the links and relationships within the family was a primary factor that was considered when choosing the successor or successors. Because the patriarch had two sons, he decided to split the company into two distinct entities and provide equal ownership to each of his offspring. Because they had previously assisted their father with errands of a less significant kind, they were familiar with the business. Even though he persisted in the responsibilities of control and supervision, the preceding employee was ready to delegate, which allowed the process of taking on responsibility to begin very immediately. Even though the two brothers are certain that their father kept an eye on them, he was not particularly forthcoming in conversations about who would succeed him in the family business. They were entrusted with responsibility, and they were given permission to make choices and learn from their outcomes. As you can see from the following excerpt, the communication that took place between the two generations was rather complicated, and the succeeding generations characterise the process of information transfer as being quite natural.

We sought advice from a variety of different people regarding various topics, like margins, how to compute things, etc.

He directed [us] in all aspects of business, but there were occasions when, owing to a lack of openness in communication, there were some requests that were not met or satisfied. As a matter of fact, there were two of us brothers, and our father had split the family company in half and handed one half to each of us, but he never once brought it up while we were eating (sic). Although we as his sons have always honoured his choice and done our best to live up to it, we do believe that [a] little bit more transparency was necessary about these matters. Due to the fact that we were a family-run company, we faced a wide variety of challenging problems, many of which were connected to the participation of members of the family. Although my brother and I have always had different points of view on a variety of topics, when our father decided to delegate some of the family business to each of us on his own, we were both happy to accept the responsibility. He expressed emotions of contentment and pleasure in the job that his sons had accomplished and in the fact that the third generation was now involved in the family company. However, we wish to approach the succession of the third generation with great awareness and transparency.

Concerning the question of whether or not the successors would continue the FOB's mission, none of the two successors reported feeling any pressure to participate. They did so freely after completing their academic pursuits, which was seen as the most natural course of action. The successors see themselves as the engine that drives the company and recognise the need to fight for the company's survival in order to both generate and preserve employment opportunities. They have very optimistic hopes that the company would provide them and their families with the means necessary to sustain their standard of living. They entered the organisation with reasonable expectations since they were aware that it would need a lot of effort and devotion on their part. The following individuals are at an all-time high level of career and personal contentment. They report having a sense of identity, as well as success and personal responsibility for their actions. They have been allowed to progress and explore, and they believe that in the future the organisation will provide them the opportunity to maintain a healthy balance between their personal and professional life.

OMAX

The firm first opened its doors in 1985 and has since become an industry leader in the production of sheet metal components, tubular components, and machined components. Omax was one of the leading OEM (original equipment manufacturer) suppliers and their primary focus was on performance. It is one of the top 10 automotive-components manufacturers in India, boasting a revenue of INR 1,300 crore (about USD 260 million) in 2012, a workforce of more than 6,500 people, and various international accreditations. The only direct successor started working in the family firm when he was quite young and are now the only owner. The procedure has been completed in a very short amount of time due to the fact that the successor first worked for the firm in order to gain experience before being promoted to the position of CMD. After a period of two years during which he was instructed and tested, he was granted complete control. In actuality, the successor was in control of all of the activities that were associated with the business unit. The predecessor demonstrated the ability to distribute tasks and accept responsibility for errors while continuously exercising control. He was still active in the firm on a part-time basis, and he still retained the right to have the last say in any financial choices that had the potential to jeopardise his ownership of the business. These choices were discussed between the two generations, but the son was the primary person responsible for carrying out the tasks. The successor believes that there were variations in leadership styles, which resulted in numerous fights inside the company, was beneficial in terms of the presentation of ideas and did not have an effect on the quality of his personal connections. The accomplishments of the kid have left the father feeling content and proud of himself. Other non-family members who managed the business took on a position that was more supportive than critical. One of them, who held the post of head of human resources, was aware of the succession plan for the family and seemed to have no problem with it at all. He had a good feeling about the future of the company since it would be in the hands of the successor, who was someone he knew well and held in high regard.

At regard to the succession that will take place in the FOB in the future, the successor has said that he does not share the same feelings as his predecessors, but that he has always been aware of this and that everyone else there is aware of it as well. My

grandfather never had any trouble in choosing a successor since it was always someone from within the family, and also, there were not many options available; now, we are in the midst of revamping the whole succession planning process. As I was developing into an adult, I became aware that my father had a manufacturing firm. I found it very interesting, and I knew it would play a compelling role in my life. However, in today's world, people of [the current] generation do not feel the same way, and because of this, we need to have a backup plan ready.

His father presented him with the opportunity of other choices, such as continuing his education or working in the family business, but the successor explained that he preferred taking over the family business because he enjoys organising, the sensation of being an entrepreneur and owner, and the significance of his role in the company. He had extremely high aspirations for himself despite the fact that he was aware he would have to sacrifice some things. He sought the advice of a number of individuals before coming to the conclusion that he should enter the firm despite having very few reasonable expectations. The way he explains this is as follows.

However, the current replacement has already served for a long length of time as the leader, and as a result, everyone is familiar with him and his management style. After he had joined the family business, he had nothing but absolutely favourable hopes not just in terms of the company's financial or material resources, but also in terms of its place in the community. He was content with his compensation, as well as the possibility of one day owning the company, which served as a source of inspiration for him. He conveys a sense of independence, responsibility, as well as accomplishment and overall contentment.

Hema Engineering

The Hema Group of Industries was a significant original equipment manufacturer (OEM) in India. In fiscal year 2011–12, the company had a revenue of 590 crore, which is equivalent to 107 million USD. The company has a wide range of different business activities, all of which are helping it to achieve new heights. The current position of the group is a direct result of the group's futuristic vision of "Attaining leadership through Engineering Excellence" and the emphasis placed on the mantra of "Perfection in Quality, Cost, and Delivery." Both of these factors have made it

possible for the group to achieve its current standing. The successor asserts that his method of leadership is similar to that of his late father, in that he empowers subordinates to make their own decisions and accept responsibility for their work.

One of these nonfamily managers who had 22 years of experience working for the firm was interviewed for this position, and he expressed contentment both with his current position and his time spent in the FOB. This is despite the fact that he insists that the decision must be made when the time comes.

Regarding the question of how much the family should be involved, the successor has optimistic feelings. Before becoming a full-time employee, the replacement worked in the industry in an unofficial capacity. The severity of the problem that was impacting the company compelled an instant acknowledgment of responsibility on everyone's part. Because the company was eliminating jobs, the successors were required to take on any and all tasks that needed to be done. Although he unequivocally claims that he has no intention of ever leaving his position, the individual who held it before agrees that it was appropriate for him to hand over an increasing amount of responsibility to the person who currently holds that position over the past few years. This occurred despite the fact that the individual who held the position before him did not completely step away from the activities of the company. In his role as CEO of the family business, he was proud of his son's accomplishments, happy with the way things were running, and optimistic about the company's prospects. He has established a participatory and collaborative environment, and he is always accessible to respond to any issues that may arise. The successor believes that his father was the person who had the biggest impact on him throughout the training process. The successor and the predecessor both had comparable leadership styles, and the predecessor had a strong character, which contributed to a seamless transfer in leadership. This was a good indicator, and it was also a productive method to keep personal ties unharmed. People tend to become restricted and conformist when things are going well, and as a result, they don't progress. However, we are schooled and educated conceptually, and are required to maintain appearances in addition to ensuring that family connections are not negatively impacted; these issues were business-related.

Another problem that he finds is the following: I was able to learn from my father, and maybe my manner was virtually the same as his, but now that I am teaching my next generation.

I only have one kid, and I'm not really sure whether she will go into business or pursue some other path in life. Consequently, selecting a successor from among [the] younger generation would be a very difficult challenge for me. Although in my opinion he might be a family member or a non-family person, in order to serve on the board, he has to be qualified and have unanimous approval from the members of the board.

It is possible to say, in reference to the reasons that influenced the selection of the heir to the enterprise, that he felt compelled to join the workforce after completing his education at university since he was the only son in the family. It was seen as a moral obligation to their family and to his father in particular.

ASK Automotive

When it comes to the production of friction products for two-wheelers, ASK Automotive is one of the most important companies in the industry. ASK Automotive started out as a small scale manufacturer but has since grown into a major supplier of friction material and aluminium casting products. Some of the friction material that ASK Automotive produces includes brake assemblies, brake shoes, brake linings, and clutch plates. Its prominence in the industry and its reputation for reliability are both due to the extensive expertise and commitment to quality that it has. They operate in line with the standard norms established by ISO 9001-2008, and they produce goods in compliance with OE requirements. The Japanese business ASK Technica Corporation, the world's leader in friction material, is a technical collaborator with the company that the company uses.

Concerning the question of how a successor was chosen, the current individual in that role has said that the decision was made on the basis of ability, and that it was irrelevant whether the individual was related or not. Although the replacement did not have any prior professional experience, he was familiar with the company since he had worked there in an unofficial capacity in the past. The process of taking responsibility was completed in a relatively short amount of time, and the successor

had no difficulties whatsoever in securing a job in management. In less than ten years, he had already worked in a variety of occupations. It was not difficult at all for the successor to get a formal promotion without having to take on any actual responsibilities. He served in that capacity for close to three years and was accountable for everything other than the finances at that time. When it came to the training of the successor, the father adopted a more hands-off approach. The communication was poor, and the person who had been in charge before wasn't ready to assign any of the succession-related tasks or enable involvement from an outsider in the discussion of those tasks. The successor did not take use of the expertise and counsel of more talented non-family management. This was in respect to the function that non-family managers play in the business. Even his father was persuaded by him to modify his opinion, and he did so without first consulting them.

When it comes to the degree of dedication shown to the FOB, the successor's decision to enter the industry at such a young age was the product of inertia. Working at the company was the most practical and uncomplicated approach to bring in financial support. This is how the next generation explains things.

It was due to inertia, and the most of the guilt lies with me...

Although the replacement did not have the impression that he was pressured into joining the company, he did voice some reservations about doing so without first exploring other career opportunities that he was considering at the time. Especially toward his brother, who was seen as the most likely candidate to succeed him to the most senior position in the company, he communicated strong emotions of autonomy. He is the one who has the clearest vision of what it would be like to work for oneself, and he is also the one who sees more opportunities. The successors have optimistic expectations about the way of life, the level of compensation, and the kind of the job that they will be performing in the future. Prior to joining, there was an atmosphere of anxiety because of the crisis, but there was also an atmosphere of optimism and enthusiasm. According to one of the successors, "I constantly noticed that he (my father) was extremely active, working a lot, at all hours, and carrying out new initiatives." It was clear to me that it (the firm) was of utmost significance He passed on to us a lot of really wonderful things, but it was clear that he had to make a

significant sacrifice in order to do so, despite the fact that there were compensations. Everyone has a common sentiment of contentment with life in general.

When questioned about succession, a non-family member gave the following response: "I always thought that no matter how large your company was...in a Family held firm, the business would be given to the family." I have been employed here for the last 13 years, and I have worked my way up to the second highest position in the business; nevertheless, I am unable to make it to the top... why? Because the son will absolutely get it under all circumstances. Therefore, at some point you won't discover development, beyond a limit, in family-owned enterprises in India since they were mostly governed by emotions and not logics. At some point, you will find that this is the case (sic).

Since the successor seems to have successfully navigated the crisis that the company was experiencing, they may be experiencing a great sense of personal accomplishment. He has assumed responsibility for the company's most essential operations and instituted a great deal of organisational reform, including the adoption of new practises. In the families Shivam, Hema, Omax, and ASK, the succession of power has been passed on to the next generation, but only to other members of the same family. Both Kamal CED and Kamal Enviorntech [Author: Or 'Envirotech as earlier?] had not yet transferred the firm, but it seems that they would only be taken over by family members. As a result, they were preparing their successors by providing them with official training in order to get them ready. Even though this was the first time that A&A had to transfer the firm, they were willing to sell it to someone who was not a family member.

Table 2.1 Comparative response of seven cases on a few important issues

	SHIVAM	**OMAX LTD.**	**HEMA ENGINEERING**	**ASK**	**A&A**	**KAMAL CED**	**KAMAL ENVIORNTECH**
Age of the company	15 years	21 years	30 years	24 years	10 years	10 years	12 years
Number of succession	Second Generation to male Family member	Second Generation toa Male Family Member	Second Generationto a Male family Member. Inthird generation open for female	Second generation to a male family member	First generation open for bothmale and female	First Generation toa male family member	First Generation to aMale family member
Emotional Influence	Positive. Since all decisions wereBy family Members and leadership transferred tofamily members only.	Positive. Family hol dsall Control And Decision Along With Other Non Family Board member	Negative. Professionalset up of people takes all decisionand controls.	Positive. Family holds all Control and decision.	Negative. Professional set up of peopletakes all Decision andcontrols.	Positive. Family holdsall control and decision	Positive. Family holds all control and decision.
Family Involvement	Positive. Family holdsall control And decision	Positive. Family holdsall Control And Decision Along	Negative. Professional set up of people takes all decision and controls	Positive. Family holds and control decision	Negative. Professional set up of peopletakes all decision and controls	Positive. Full family involvement in Control and decision.	Positive. Family holds all Control and decision

		With Other Non Family Board Member					

2.2 CRITICAL REVIEW

Nave, Edgar & Ferreira, João J. & Fernandes (2022) Because of their specific characteristics, these organisations are also subject to a variety of difficulties, one of the most prominant of which is inter-generational succession, which is common to all FB and contributes to their continued viability throughout time. Given the importance of this topic, the objective of this systematic literature review (SLR) is to create a map that provides an overarching, comprehensive perspective on the succession plans that are most frequently utilised by FF. This will be done by analysing the existing research in the field. The Scopus database had a total of 84 articles that were broken down and examined.

Sampene, Agyemang & Li, Cai & Oteng Agyeman (2021) The framework that Entrepreneurship Development (ED) offers to assist entrepreneurs to solve difficult and complicated business models is one of its primary functions. The research outlined a structure that could be used to advance ED in the 21st century and also provided suggestions that will assure the long-term viability of their potentials.

Rovelli, Paola & Ferasso, Marcos & De Massis (2021) From 1988, when the first of three journals was published, to the present day, there have been 1,381 pieces published across multiple platforms on family enterprises. A thorough bibliometric analysis of these contributions is provided in this paper. As a result, it provides a synopsis of all three publications that focus on family companies and the research they include. It also prepares the way for what's to come. We go beyond only providing a bibliometric overview of the field to also unearth the most divisive issues, make thematic connections between the aspects that surfaced in our evaluation, and provide promising avenues for further study.

Riar, Frederik & Kellermanns, Franz (2021) They make up almost 90% of all businesses worldwide. Academics have recognized family companies as a legitimate research subject due to the substantial influence that family firms exert on economies worldwide. The research that have been conducted on family companies are summarized in this chapter. Towards the end of the chapter, there are several recommendations for more research. In particular, it stresses that family businesses are no longer seen as a homogeneous block in the literature, but rather as a diverse set of circumstances, and that this diversity presents a diverse range of possibilities for further study.

Moser, Thomas (2021) By delving into the principles at the heart of family businesses, this study enriches the existing body of knowledge. A thorough literature review was conducted utilizing research papers on family businesses obtained in the Web of Science (WoS) database to bolster the credibility of this study. The next step was to conduct a bibliometric and scientometric analysis, which ranked the key concepts and ideas in family business research according to their relevance to the field. The Socioemotional Wealth hypothesis has been the most discussed theory over the last decade, and it has been rising to prominence over the last five years, according to one of the main conclusions based on 5,013 documents that were found. One of the key results is the Socioemotional Wealth hypothesis, which allowed for this conclusion to be achieved. The two most influential writers in this field are the American Chrisman (J. J.) and the German Kellermann (F. W.), ranked by the total number of citations acquired by their respective publications. On average, each of these scholars' works receives 86.7 citations, and they have written more than 70 papers between them. With 27% of all publications pertaining to family companies coming from the US, it is clearly the nation leading the pack. But with 48% of all articles coming from Europe, it's clear that this region is the most prolific contributor. Contrarily, most publications are produced by either one author or a pair of authors, and just 18% of writers have written more than half of all published works.

Afonso Alves, Catarina & Gama, Ana (2020) The evaluation of an organization's success considers both, monetary and non-monetary aspects. Research utilizing quantitative methods and data collected through questionnaires; 169 family companies in Portugal took part and provided responses. The F-PEC questionnaire

and other studies on Family Business (FB) performance served as the basis for the survey's design. In this case, we employ models like exploratory and multiple linear regression factor analysis. The results stress how critical it is for family goals to align with business objectives. Neither the stewardship theory nor the agency theory can provide a complete picture of the family's impact on Family Business performance. Value and innovation: Greater dedication improves financial results and helps achieve non- financial goals (such as preserving family wealth). Studying how a culture of commitment affects exceptional performance is crucial.

de las Heras Rosas, Carlos Javier & Ballesteros, Juan (2020) Worldwide, most privately owned companies are managed by extended family members. It is a kind of organization that has survived and is there in its totality even if large organizations have emerged. There are numerous factors that will determine whether or not these groupings can stay in existence. The long-term viability of family businesses has been the subject of much research from a wide range of disciplines. This publication's author investigates family business sustainability and bibliometric trends in scientific production using the SciMAT tool. A grand number of 286 articles culled from journals included in the WoS index were examined from 2003 to 2019. Despite an uptick in research on family company sustainability, the results reflect that the subjects' relative importance is shifting, suggesting there is plenty of space for improvement. Despite a rising interest in studying family business sustainability, this remains the case. Studies that focus on sustainability drivers (e.g., socio-emotional wealth and stakeholders), sustainability promoting methods and practises (e.g., corporate social responsibility, performance, management, or innovation), and studies that focus on sustainability threatening factors (e.g., intergenerational succession processes) tend to dominate the field. Using bibliometric methods, this study tries to contribute by illuminating the categories of subjects that influence the longevity of family companies.

2.2 EMPIRICAL REVIEW

Takwi, Francis (2020) A thriving family business can only be built upon the foundation of a successful organization, say entrepreneurship experts. Particularly for retail establishments in Cameroon, family-run businesses face the same obstacles to success as any other type of business. It should be emphasized that this sector helps

bring in tax revenue for the nation. We should not view a corporation as "an endless resource," but rather conduct thorough research into the family business to understand its structure and goals. It is possible to strengthen entrepreneurial families' ability to foresee and respond to challenges by learning about the interrelated elements that shape their roles, decision-making processes, environments, and cultures. With this skill, these families will be better able to head off issues before they start and deal with them when they do. Identifying what matters most to family companies in the retail industry is the primary focus of this study. This study used an inductive approach to identify the variables that lead to the prosperity of businesses in Yaoundé, Cameroon that deal with auto components. There are two philosophical traditions that deal with this: interpretivist epistemology and subjectivist ontology. This study employed a research strategy known as an exploratory case study design analysis. Using Yaoundé's retail shops as a case study, this research aims to identify the critical success elements for family-owned businesses. We were able to demonstrate that the study had the appropriate methodological direction by analyzing the data using a qualitative research technique. Data for this inquiry came from a method called semi-structured interviews, and it is a multiple-case study. A large percentage of the country's economic activity is conducted by family-run businesses, and these organizations face several challenges that might impact their performance. Some examples of these challenges include insufficient training, conflicts within families, succession crises, financial difficulties, problems with management and control, and other similar concerns. There are a lot of factors, including the ones listed above, that contribute to the success or failure of family businesses in Cameroon. In every economy, family businesses play a crucial role in the growth and development of the economy, whether in a direct or indirect way. Even though family-owned businesses face unique challenges and obstacles on the path to success, retail remains one of the most lucrative and fruitful industries. While many Yaoundé, Cameroonian families work in this industry, the vast majority of those families have emigrated from other nations. The bulk of the families connected with this firm are retailers rather than wholesalers, despite the fact that the government has not shown much interest in this area. Although this sector contributes much to the national coffers through tax payments, it has received less attention from policymakers. If the government really tried to pay more attention to this business, I think a lot of the problems it's facing

would go away. The sector will be able to grow because of this, which will enhance economic conditions and people's quality of life.

Rahmiati, Filda (2020) The objective of this research is to find out if family companies can make it over the long haul by implementing CSR initiatives in the surrounding community. Multiple studies have demonstrated that family businesses tend to be deeply rooted in the areas where they operate, which bodes well for their social responsibility efforts and community involvement. For this qualitative study, we used a case study of a small Bogor-based Indonesian corporation as our premise. To better comprehend the case scenario, the data collection procedure employs direct tactics including interviewing, reviewing pertinent business papers, and seeing the situation. The success of the event depended on the mutual support of the community and the business. The results suggest that symbiotic CSR could change the way family companies approach CSR in the future.

Saleem, Irfan & Khalid, Faiza & Nadeem, Muhammad (2019) Several methods for handling the duality problem that may arise in a family-owned firm as it transitions from generation X to generation Y are also covered, as is the role of independent directors and the process of chief executive officer succession. Although some of the specifics have been altered, this case is based on actual events. Meeting minutes and interviews with family company owners are two parts of the data collecting process. Understanding family companies and its numerous facets—including socio-emotional wealth, stakeholders, and agency—is the driving force behind this research. Readers may learn about the family firm's ways of governance by analyzing the many events detailed in this case. Level of mental challenge Anyone from college freshmen to seasoned pros can benefit from this training. Supplemental materials and database The teaching notes are only accessible to those working in the field of education.

Lee, Tingko (2019) The research shows that the success of family firms is more affected by the strength of business relationships than nonfamily enterprises. But family enterprises are much more vulnerable to the negative impact of political ties on corporate operations than nonfamily businesses. Overarchingly, the results suggest the following fascinating conclusion: Taiwanese family companies still benefit from building economic relationships, but political connections don't matter nearly as much

as they do in other countries. Thus, commercial linkages guarantee the overall health and prosperity of family enterprises, which boosts the probability that these businesses will make societal improvements.

Kiwia, Rose & Bengesi, Kenneth & Ndyetabula, Daniel Wilson (2019) A total of 219 respondents were selected from a bigger pool of prospective respondents using the probability sampling approach. The data was analyzed using t-tests on independent samples and descriptive statistics. Findings Succession planning was found to be an established practice for most family-owned SMEs in the studied area. Another factor that affects a company's performance is the process by which its founders select and train their successors, as opposed to other family members. In terms of financial success, successors selected and groomed by the company's founders outperformed those selected and groomed by other relatives. research limitations and their effects Because of the study's reliance on a quantitative research paradigm, participants were unable to participate in in-depth interviews. A qualitative research paradigm is one possible method of inquiry that may be investigated in future studies. It further proves that the two groups under consideration had different commercial outcomes.

Calabrò, Andrea & Valentino, Alfredo (2019) As a consequence of escalating demographic changes, cultural upheavals, and longer life expectancies, family businesses throughout the world are encountering new challenges. Due to these novel difficulties, traditional methods of leadership and succession planning are inadequate for family businesses. One method to understand generational differences and how family businesses are handling governance and succession issues today is to look at the age groups that make up the top executives of worldwide family businesses. Does the management and leadership style of CEOs from younger generations, like Millennials, differ noticeably from that of older generations? How can chief executive officers of family firms plan for retirement and passing the business on to their children and grandchildren? How can we identify one culture from another? The purpose of this report is to encourage discussion and analysis of family businesses globally by compiling the views of over 1,800 family business leaders on the effects of changing demographics on the leadership, leadership continuity, entrepreneurial spirit, and performance of family businesses. The 48 universities from all around the

world that are part of STEP have been instrumental in making this cooperative effort a reality, thanks to their passion for family businesses. These establishments have been instrumental in promoting the study. We now own all the necessary elements to craft an extraordinary story. As you go deeper into your studies, we hope that you find nothing but success.

Alderson, Keanon & Shane, Scott (2018) In this outstanding book, you will learn all there is to know about family businesses, which are prevalent all over the world. First, the unique features that set family-owned businesses apart from others are discussed. In addition to outlining the most prevalent difficulties faced by family companies, this book delves into the most contentious of these issues—the succession, or passing the reins to the next generation. Anyone who works as a trusted advisor to family companies in the legal, accounting, banking, insurance, or financial sectors will undoubtedly grow to care more about their clients.

Sugundan, N & Asst. Professor-Srm-Vec (2018) This study aims to clarify the various forms that favoritism may take in family companies. It uses a theoretical framework to show how the corrupt and immoral practise of nepotism impacts HR operations inside the business. Particularly, it shows how this approach halts the company's growth and changes the trajectory of events. Additionally, it sheds light on the issue of those who knowingly opt out of the workforce due to the pervasiveness of nepotism and the legacy of family-owned businesses.

Arsic, Sinisa & Banjević, Koviljka & Nastasić (2018) This study looked at an American family company. Building beneficial professional relationships for a family-owned firm is intrinsic to the proprietor's activities. The study was place in Serbia. According to the most important results, family businesses differ from other types of businesses when it comes to customer relationship management (CRM). This is mainly because family business owners are tasked with managing business-to-business (B2B) relationships, which demands a substantial amount of time and effort. In a world where family companies rule, it's crucial to look at the local and regional connections of family company owners side by side to understand the complexities of market interactions. Since this is an absolute must, studies going forward should focus on internationalization (to regional markets).

Hewa Kuruppuge, Ravindra & Gregar, Ales (2018) In contrast to Western business culture, which has provided sufficient conceptualizations of family business operations in earlier studies, Eastern business culture has shown to have a substantial knowledge gap and/or multiple inconsistencies in terms of the longevity and survival of family businesses. While it is true that many Sri Lankan family businesses have been passed down through the generations, this study's findings are based on Western business culture. Because of this, a research study on Sri Lankan family businesses is urgently needed. Everyone who filled out the survey was either an owner or a manager. Using methods of deliberate sampling makes it simpler to pick respondents based on their specific conditions. The findings from the interviews indicate that family members are highly engaged in the organization due to a combination of educational opportunities and the challenges of operating a business. More than that, the answers showed how interconnected family members' individual achievement and the family business's profitability are. As a result, family enterprises in Sri Lanka have endured for far longer durations than is typical in Western business culture.

Rahman, Md & Sanguino, Ramón & Barroso, Ascensión (2017) The family-owned businesses that dot the landscape of many countries' economy are vital to their survival. The study's overarching goal is to learn how much of an influence family-run businesses have had on Spain's economic growth and development. Throughout this study, secondary data has been utilized to achieve this objective. This is why we sift through the existing literature on family companies to find studies that address the aforementioned questions. The findings show that family-run stores in Spain have been a major driver of the country's economic expansion. We also choose areas for academics to explore in the future so they may advance theory and offer light on the family business.

whidya utami, Christina & Bernardus, D. & Sintha, G. (2017) A "family business" is one that has its roots in the same family and continues to be run by members of the same or closely related families in terms of both ownership and decision-making. The study's overarching objective is to learn what factors—such as management systems, ownership rights, family dynamics, and personality systems—become the most important in determining a family business's level of success.

Meanwhile, the family business's sustainability was unaffected by either the Ownership System or the Personality System.

Cristiano, Elena (2017) Since it is a subset of all enterprises, the family company meets all the criteria that are standard for businesses in general. Contrarily, it is defined by the strong relationship it has with one or more families, who provide the first funding and risk capital. This means that how it works is totally reliant on the progress of these families and the decisions made by its members as they go through it. Many people believe that small and medium-sized businesses are at a transitional stage when it comes to the firm's dimensional expansion. Researchers from Italy and throughout the world have focused a lot of energy on studying SMEs. Indeed, real-world evidence has disproved these hypotheses, allowing us to conclude that even SMEs may succeed at a high level without necessarily expanding their physical footprint. During the 80s of the last century, business studies went through a time of tremendous growth in this area. There has been a surge in interest in theoretical and empirical research as a result of the family business's recent substantial presence on the local and international stages. Many questions have been answered by the vast and diverse corpus of literature on family enterprises. Some of these concerns include learning about the characteristics of family businesses, how they work, the management styles they use, the rules they follow, how much they're worth, and other specifics of small and medium-sized companies. Contemporary scholars that have investigated the topic of family businesses have not come up with a single, agreed-upon definition of the term. Furthermore, several additional characteristics that aid in differentiating family businesses from other sorts of businesses are outlined in the aforementioned research. Factors like as ownership, size, succession, and family involvement are included in this category.

Esposito De Falco, Salvatore (2016) Designed to serve as supplementary course materials for the "Family Business Course: Ownership Governance and Management," this guidebook's subtitle reads as follows: "Family Business, Ownership Governance and Management." Similarly, it will engage a wider range of academics and, more generally, readers, leading to an increase in their understanding of family business administration.

Hidalgo, José Felipe & Salazar, Alejandra (2016) Family businesses' responsibilities to society have received little academic attention, especially in developing countries. Finding out how much sway the firm, family, and ownership have, and how successfully the family business can handle its various stakeholders, are the main goals of this research. We drew from a pool of 171 companies in the Mexican state of Sinaloa for our sample. In addition to the enterprise and its families, the results reveal that the ownership structure has a positive and large effect on CSR. As an example, we show how this affects the private, public, and academic sectors.

Yuldinawati, Lia & Oktadanio, M.Y. (2016) The aim of this research is to map the family business at a modest level so that a three-dimensional model may be developed that includes the family, ownership, and business aspects of the entity. The study was place in two Bandung, Indonesia, schools—Soto Bandung M Tarya Sawah Kurung and Soto Bandung M Tarya Pajagalan—from March to July 2015. Despite sharing a common ancestor with the trademark, these two entities have always operated independently in this regard. However, there is a fundamental difference between them when it comes to controlling the company's operations and owning its cash. A three-dimensional model of the family business was used to analyze the data collected from in-depth interviews. The study's goals were to (1) identify and catalog all relevant parties (such as family members, business owners, and employees) and (2) use a SWOT analysis to inform strategy development. All of the Soto Bandung M Tarya stakeholders were female and belonged to the same family, according to the data. There are many valid points made by each side, but they all share the belief that family businesses have the potential to succeed and endure.

Hermann, Frank & Kessler, Alexander & Rusch (2016) Using decision premises that transmit familiarity, this article presents a familiarity scale to assess the family's impact on the organization. Using three different studies as a prism, we examine how well-versed one is in quantitative and qualitative approaches grounded on new systems theory. Results are derived from narrative-style interviews. The Family Influence Familiness Scale (FIFS) is a multi-dimensional measure that was developed after researchers performed exploratory and confirmatory component analyses. Reliability and validity appear to be very good according to the results.

Pounder, Paul (2015) Because quantitative research can only provide a partial potrayal of the decision-making battle and unique dynamics of family companies, it is strongly advised that qualitative research be supported. This study's conclusions suggest that understanding the decision-making culture in family enterprises is highly valuable. Personality qualities like aggressiveness, fearlessness, and competitiveness should be heavily weighted in the investigation. You should not rule out the prospect of non-family members taking on leadership roles in a family business when selecting successors. Furthermore, it is commendable to strive for a shift in public and governmental perceptions of family businesses. This perspective considers the challenges, decision-making procedures, and possible remedies that are intrinsic to the structure of a family company.

Adiguna, Rido & Akhter, Naveed & Criaco, G. & Hansson (2015) Family business studies have grown in popularity over the past decade, and they are currently one of the fastest-growing academic disciplines. Other types of businesses do not often have these characteristics. When trying to understand the unique dynamic that results from the interplay of these two separate systems, researchers have explored a broad range of concepts from other areas. Each of the book's chapters offers a comprehensive review of one of thirteen theoretical frameworks that have informed research on family companies. In each chapter, we are introduced to a theory, which is then put to use in family business research. Finally, we are left with stimulating suggestions for future research that could build upon both the theory and the field of family business. Academics new to the subject of family business will find this book an excellent introduction; researchers and PhD students now engaged in family business will find it an excellent source of new ideas. Both practitioners and lawmakers will find this to be an informative resource.

Shepherd-Worrell, Nadia & Alleyne (2015) Results from the Most Prominent Family Businesses in Barbados on the Transfer of Ownership from One Generation to Another Additional work by Khadija Holder, Philmore Alleyne, Amanda Pierce, and Nadia Shepherd-Worrell Efficient generational transfer from one generation to another is the focus of this study, which also delves into the succession process of family businesses operating in an evolving environment. Using a semi-structured interview method, we spoke with the heads of sixteen (16) of the most prominent

Barbadian family businesses, including five (5 Caucasian-Caribbean), six (6 Afro-Caribbean), and five (5 Asian-Caribbean). There had been no formal succession planning at any of the companies throughout the years. The assumption was that family businesses with Caucasian or Asian Caribbean members were more likely to experience intergenerational transfers than Afro-Caribbean family businesses in the sample. Generational transfer in Asian-Caribbean enterprises was driven by aspirations for family lifestyle betterment, but in Caucasian-Caribbean firms, the primary motivation was to ensure the continuation of the family's heritage. The desire for autonomy, however, was the primary motivator for the passing of leadership roles from one generation to the next in Afro-Caribbean businesses.

Debarliev, Stojan & Janeska-Iliev, Aleksandra (2015) Strategic direction, organizational vision and culture, competitiveness, financial and human resource management, and views of the internal and external environments are all part of these domains. The main idea behind the study is that, there are general and specific characteristics that family companies have that sets them apart from the other kinds of firms. In all, almost 300 companies from all throughout the Republic of Macedonia are contributing to the study. Theoretically, this study's findings should guide future research on family businesses, developing nations' family business situations, and countries that were once socialist in their economic policies. This is especially true in the realm of empirical research. The findings from the studies on family companies also have important real-world applications. All of this points to the need of bolstering growth and competitiveness processes and educating company founders and owners on how to improve the complexity of their operations and pass their expertise down through the generations.

Botero, Isabel & Cruz, Cristina & De Massis (2015) When it comes to business structures, family businesses are by far the most prevalent in Europe. Having said that, most of the existing literature on family enterprises was written from a North American perspective. In particular, the paper outlines a number of contextual elements that may impact the breadth, variety, originality, and future prospects of research on family businesses; it then goes on to analyze a number of these characteristics.

Hewa Kuruppuge, Ravindra & Gregar, Ales (2015) Some research on family enterprises has indicated that there are good and negative consequences of family involvement, while other research has indicated that there are just negative effects. One of the most perplexing problems that comes up when comparative studies of family enterprises on family participation in business initially start to emerge is the effect that family involvement has on a firm. Through the use of a qualitative research approach and a series of case studies, this investigation attempted to fill the aforementioned knowledge vacuum. Purposive sampling was used to choose both the incidents and the responders. We selected four privately held, well-run family businesses to act as cases, and we asked the present owners and one manager with ties to the families to reply. Nine unique people from four different contexts participated in a total of fifteen interviews. Before diving into the data analysis, it was helpful to code and categorize the interviewees' replies to identify common patterns and themes. All instances, as well as those inside them, had these common patterns and themes. It turned out that this conclusion was correct. The study also found that family enterprises may profit from agency connections if they handle family matters and business matters together well. Findings from this study make it very clear that the Agency Theory needs updating if it is to provide a satisfactory explanation of the relationship between owners and agents in family businesses.

Soto, Julio & López-Delgado (2015) Despite their internal differences, second- and later-generation FIFs are distinct from other types of businesses and is visible as a cohesive group across multiple performance metrics, such as efficiency, profitability, and leverage. The results provide credence to the idea that FIFs are distinct from lone-founder firms, where no relatives of the founder are involved with the company in any way.

Rondi, Emanuela (2015) Because it establishes an ever-evolving bridge between the past, present, and future, time is crucial for family businesses. In this chapter, I will show how process thinking and sensemaking may be applied to family business research to study the evolution of dynamic phenomena. Following a brief introduction to the process approach and its background, I will go on to talk about its applications in family companies and how they've helped with issues like social capital, business failure, and portfolio entrepreneurship, among many others. A family business offers

an ideal setting for process study because of the focus on time and the interplay of social actors. Process thinking not only opens up new areas for research that are constantly evolving, but it also has the potential to shed light on previously researched phenomena by examining them from a fresh angle.

Alderson, Keanon (2015) This research looks at how often and what kinds of conflicts might emerge in family companies. It then suggests some tried and proven ways to handle and prevent conflicts, with a focus on the function of corporate governance tools. Below are a few instances of famous companies. When family companies experience internal strife, it can be a major headache for everyone involved. Research suggests that effective governance can help reduce and manage conflict. The current literature was reviewed in this work. Its failure to do novel research was a direct result of this. Many real-world ramifications have been pointed out by the writers of this piece for those employed by family firms. There are consequences for practitioners and politicians to consider in order to make family enterprises more economically viable and less prone to conflicts. The pertinent research has been reviewed and condensed for the advantage of family business owners.

Ediriweera, Amali & Armstrong, Anona & Heenetigala, Kumi (2015) When it comes to developing best practises for corporate governance in Sri Lanka, the Anglo-Saxon model is heavily influential. The models and processes implemented in the UK had a significant impact on these recommended practices. Family businesses in Sri Lanka play an important role in the country's economic progress, according to previous research that found that listed enterprises' ownership was concentrated in individuals or families. This paper presents a two-tier governance framework that governs small to medium family enterprises, non-listed family firms, and other related topics.

Meneses, Raquel & Coutinho, Ricardo & Pinho, josé (2014) The research, on the other hand, failed to identify any evidence of a correlation between educational attainment and the value of bilingualism. According to the research, a domestic family firm that has been around for a while may decide to reposition itself in foreign markets once a procedure, like the succession process, becomes interrupted. A great

deal of opportunity is in this domain. Policymakers and managers can benefit greatly from the findings since they bring fresh insights.

Ayranci, Evren (2014) The purpose of these surveys is to collect data on how people's families affect their happiness with their financial situation. The next step was to use the previously proposed model to examine the connection between influence and satisfaction. The family-run businesses located within Istanbul, Turkey's organized industrial zones provided the data. A top manager's family member's level of satisfaction regarding the company's financial performance is determined by two crucial criteria, and there are five significant features that define the effect of family. Research shows that spouses of family members who work for the family firm have no effect on contentment with debt or profit, but they do reduce satisfaction with operations and sales. This was true even when marital contentment had little bearing on the success of the family business. Levels of satisfaction with debt, profit, sales, and operations were all negatively affected by family members' involvement in financial decision-making and the selection of the firm's successor. Family members' commitment to the company and their harmony with its operations contributed to higher levels of satisfaction with financial performance, even though the founder of the company did not have a major impact on these factors. To sum up, members of senior management's immediate families tend to be less satisfied with their financial success, and this is somewhat correlated with the influence of family.

Kontinen, Tanja & Plakoyiannaki, Emmanuella & Ojala, Arto (2013) Many authors working on family businesses in the last several years have relied on quantitative research methods, ignoring the power of qualitative case studies. The discovery is even the more remarkable when one considers that case studies served as the initial means of inquiry within this field. Previous articles on family companies have included case studies, and this page provides a summary of those case studies. After looking at 68 articles, we found that the family business field follows the 'positivistic' case study that Yin and Eisenhardt initially proposed. Applying critical realism case studies to the study of family companies is the topic of the paper's conclusion. Our goal is to present scholars a variety of alternatives to the current methodological approaches; we do not want to suggest their replacement.

Jennings, Jennifer & Breitkreuz, Rhonda & James, Albert (2013) This will show how politicians encourage the establishment of new firms and provide a numerical value to the matter. Afterwards, we survey the few scholarly work that delves into the topic of entrepreneurship's effects on families and draw attention to the growing chorus of voices raising concerns about the glorification of the entrepreneurial spirit. To wrap things off, we'll give some examples of the fascinating problems that arise when family dynamics and well-being are publicly acknowledged as being impacted by firm ownership, and we'll also identify future research priorities for several areas of family studies.

Sharma, Pramodita & Blunden, R & Labaki (2013) To help readers better understand the unique paradoxes and puzzles that family companies face, this article lists and analyzes thirteen distinct analytical techniques and approaches. These techniques are provided in this article to help readers better analyze family business cases and develop suitable solutions to family business difficulties. Family businesses rely on them as advisors and as members of the family to face the complex issues that arise from the tension between the family and business systems inside family organizations. Tools that aim to comprehend the family firm system in its whole are maintained separate from tools that zero in on the family or the company itself. With the use of the six dual systems-focused techniques, one may have a deeper understanding of the company's key stakeholders, current situation, past, and future plans. Understanding the family's involvement in the company, its key directions, performance, and continuity is made feasible by the conceptual tools centered on the four business systems. A greater understanding of the basic obstacles a decision maker has may be attained by the systematic application of appropriate tools, which can also aid in the creation of practical and effective ideas.

Merwe, S. & Venter, Elmarie & Farrington, Shelley (2012) For the sake of this study, we shall define success as having peaceful relationships within one's family and having faith that one's life will carry on in the same way in the future. With this research, we hope to accomplish two main goals: first, to determine which family values have the most bearing on the longevity and prosperity of family businesses; and second, to provide concrete suggestions for how business families can work together for the benefit of all members and their companies. A grand total of 931

separate surveys were sent in by 173 distinct family-run enterprises. The collected data was subjected to a number of additional statistical analyses, including multiple linear regression, exploratory component analysis, and Cronbach's alpha coefficient calculations. This paper adds to the current empirical literature on family businesses and is a crucial first step in understanding how certain family business principles affect the smooth running of different types of family businesses.

Amann, Bruno & Jaussaud, Jacques (2012) The scholarly literature is replete with accounts of this trend, and it is also evident in Japan—the country that is the subject of this work. In comparing family businesses to non-family operations, the former often has better financial structures and more success. Family businesses, so the conventional wisdom goes, should be better equipped to weather economic downturns and keep performing at a high level. The empirical studies employ a method called "matched pair," which allows for the application of rigorous controls to size and industry-related factors. In the long run, their financial structures will be stronger, so they will be better equipped to weather economic storms, recover faster, and keep showing off their great performance.

Kontinen, Tanja & Ojala, Arto & Plakoyiannaki, Emmanuella (2012) By analyzing sixty-three case studies related to family businesses, the authors bring attention to the possibilities of critical realism case studies for scholars in the field. The review concluded that the field of family business adheres to the positivistic case study paradigm initially put forward by Yin and Eisenhardt. Social phenomena, like succession, need to be explained (erklaren) according to the positivist view and understood (verstehen) according to the constructivist/interpretive view; the latter is the foundation of critical realism; this is because there are many occurrences and mechanisms that underlie these phenomena. That being said, critical realist ontology might end up being incredibly helpful for future studies. Case studies grounded in critical realism often pose the question, "What causes the research phenomena of interest to occur?" by breaking them down into concrete, observable events. This lines up with research that Family Business has done that focuses on the processes, mechanisms, and events.

Yu, Andy & Lumpkin, G. & Sorenson (2012) From 1998 to 2009, 257 empirical research on family businesses made use of the 327 dependent and outcome variables

uncovered in this study. These actions were taken as part of four different research projects. Due to the unique roles played by family companies, the dynamics within families, and the succession process, experts believe that the family business sector warrants more focus than the general economy and issues unique to families.

Rautiainen, Marita & Pihkala, Timo & Ikävalko, Markku (2012) A better comprehension of family company systemic models is the goal of this essay, which approaches the topic from the perspective of closed vs. open systems. According to the most current study on family business system models, an open-systems strategy unites the many parts of a family organization better than any other way. The project's overarching goal is to provide a case study of a family-run floral business across time. Last but not least, we go over family company system models from an open system viewpoint. We argue that this method has significant methodological consequences for studies of family companies and offers new understanding of the concept of family enterprises.

Siebels, Jan- Folke & Knyphausen-Aufsess, Dodo (2011) Academics have recently begun to pay more attention to family companies as a significant area of research. This article provides a comprehensive review of family business research, including its theoretical underpinnings and issues with corporate governance, and offers an analytical critique of these areas. A total of 235 publications formed the basis of the investigation. The complexity of family businesses and the decisions they make about corporate governance is too great for any of the previously listed perspectives to address on their own. So, to learn more about the family business, it could be useful to use collaborative strategies that combine different theoretical frameworks.

Lambrecht, Johan & Molly, Vincent (2011) Members of the same family typically run different businesses. In other words, they form the bedrock of our economy. Without a doubt, this message has already reached a great number of powerful business leaders and politicians. This is remarkable in and of itself, but it's more noteworthy given the recent focus on family businesses.

Brenes, Esteban & Madrigal, Kryssia & Requena, Bernardo (2011) A common component of methods aimed at preserving family companies is the formation of a governance structure for the family and the family business. The family business has

established these systems to better coordinate the communication and interaction between the owners and executives, as well as to enhance the control and strategic planning procedures. For the study, the researchers enlisted the help of 22 separate family companies. A small number of these families have established their own pattern during the past seven years. The writers polled all friends and relatives to gather information for this inquiry, and they also contacted every non-family director and executive.

Benavides-Velasco, Carlos & Quintana-García (2011) This research delves into the arrangement of works on family enterprises and explores its recent patterns. These findings pave the way for potential future research directions that could be crucial in consolidating the area.

Mazzi, Chiara (2011) This study looks at the correlation between financial ties and the success of firms when family members own, control, and manage the companyThe authors aim to distinguish between findings that have garnered substantial support and those that have failed to provide persuasive evidence. The present study achieves this objective by analyzing 23 articles selected from databases thought to include the most pertinent social science research according to the standards of a systematic review. First, the evolving idea of performance across dimensions, with an emphasis on value creation rather than wealth accumulation; second, the relative merits and viewpoints of theoretical frameworks used to examine family businesses; third, the conundrum surrounding the definition of family businesses and their consequences; and finally, the increasing fascination with privately owned family businesses. These topics provide strategic challenges as well as opportunities for the future of research.

Zachary, Ramona (2011) While studying and researching family enterprises, most researchers fail to consider the family structure. After taking a close look at several family business theories, this article will lay out the Sustainable Family Business Theory (SFBT) and how it relates to the board of directors, before diving further into the family system. These issues will be addressed by this study. This article summarizes previous studies on family companies, highlighting certain theoretical frameworks that have been developed. How these models are particularly applicable to family system inclusion is the primary emphasis of this research. academics who do

investigate families in detail are scrutinized and argued over, despite the fact that such academics are in the minority. Research limitations and their implications - It is essential to keep in mind the family structure in relation to family companies when engaging in research, teaching, and practice. Future implications for research, teaching, and clinical treatment may arise from recognizing the unique function of the family unit in society. This review of prior studies gives researchers a broader and more complete picture of the family business.

Kontinen, Tanja & Ojala, Arto (2010) Family businesses (FBs) have begun to see internationalization as a means to both expand their operations and, in some situations, ensure their continued existence. An analysis of 25 scholarly articles published in English that discussed Family Business's expansion into foreign markets was presented in this article. Some Family Businesss were shown as "born-again" global corporations, while others were portrayed as part of a sequential process of internationalization following the Uppsala model. When it came to research technique, most of the articles focused on providing answers to "what" queries instead of "why" or "how" ones. Neither internationalization nor concepts unique to Family Business were frequently referenced in the published works. By illuminating I the current state of our knowledge of the phenomena, (ii) the many kinds of underlying theories used, and (iii) the methodological approaches taken, our study helps to improve comprehension of the following subjects. We have identified research gaps in the domain of Family Business internationalisation and have proposed future courses of study based on our findings.

Di Toma, Paolo & Montanari, Stefano (2010) Unlike more conventional forms of business research, studies focusing on family firms have traditionally been considered an independent discipline. Someone has noticed that we don't have a shared theory that can provide us a solid foundation for our concepts. It is believed that limitations on empirical research are to blame for the lack of a consensus hypothesis. Researchers must first resolve the concept of family corporation in order to circumvent a basic limitation of the field. This study aims to provide light on how current opinions may contribute to the development of theories and empirical research by surveying the relevant literature. These findings offer new directions for study to tackle the

definitional dilemma, even if there are still some uncertainties regarding the trade-off between subjective and objective traits.

Schulze, William & Gedajlovic, Eric (2010) The academic community all around the globe is showing an increasing interest in the business run by the family. However, research on family businesses is still in its infancy, and the variety of ideas and viewpoints that are being reflected in the growing body of literature show a landscape that is congested and fraught with tension. Following this, we will offer some background information, talk about the current status of the area, and set the featured papers in this special issue within their proper perspective. There is also discussion of important issues that are now confronting the area.

Ceja, Lucia & Agulles, Remei & Tàpies, Josep (2010) This was true notwithstanding the nature of the enterprise. In sum, the present study's findings highlight a unique set of characteristics shared by family businesses, including: humility, openness, communication, service, quality, innovation, and entrepreneurship. Some intriguing patterns emerge upon closer inspection of these figures. Just to give you an idea, most of these may be categorized as behavioral values. Similarly, there appear to be three main features shared by the world's leading family-owned businesses: a focus on the community, a vision for the future, and a sense of responsibility.

Erdem, Ferda & Baser, Gözde (2010) Accompanying interview notes are observations made during site visits to enterprises and specific firms, as well as documentation that need to be double-checked. Family values are more traditional, according to the research, whereas company values are more forward-thinking. Scientists see this phenomenon as a synergistic construct rather than a contradiction. Therefore, it is crucial that academics prioritize values when formulating research questions on the relationship between family and business or when developing a strategy for executors to provide professional assistance to family businesses. However, in-depth research is necessary to demonstrate how these principles manifest over the lifespan of family businesses. Writing about family businesses is relatively new phenomenon. But there are many more questions that need answering about these types of companies. More comprehensive studies on the cultural values of family businesses are needed to provide light on the challenges faced by family firms

worldwide and provide solutions. The results may show that, rather than being at odds with one another, conventional family values and contemporary business principles work in tandem to ensure the success of any given enterprise. The cultural context is more likely to blamed for this situation.

Nordqvist, Mattias & Hall, Annika & Melin, Leif (2009) The study of family businesses has shifted its focus to quantitative research methods. Here, "method" refers specifically to the study strategy outlined before. Based on our findings, we think this is possible using the interpretive method, a subset of qualitative techniques in general. Researchers in the field of family businesses who are doing interpretive research will find a discussion of pertinent issues, choices, prerequisites, and outcomes on this page. Additionally, we offer suggestions on how editors and reviewers might approach the examination of interpretative research.

Brice, William & Richardson, James (2009) This research aims to compare the values and beliefs of professional managers in two countries with those of family business members in order to draw some empirical conclusions. This poll is designed to find out if there are any cultural differences between professionals who work for family-owned businesses and those who do not, and if so, in what ways. According to the numbers, in both countries, professionals who do not have a familial connection to the business are significantly less successful than those who do. The divergences among the three ideas all lead in the same direction. A disadvantage of this research is that it only looked at two nations. According to other studies in the field, family businesses may have an edge in the marketplace, and this study will help to clarify some of the cultural factors that may explain this.

Carrigan, Marylyn & Buckley, Joan (2008) There hasn't been a lot of study done on how these skills are acquired or how well they're understood by the general public, despite the fact that family-owned firms are often believed to have certain benefits when it comes to customer connections. This article lays forth exploratory study that was meant to understand how consumers in Irish and British urban and rural regions perceive family-owned companies. This research analyses the connections that respondents have with family companies along with the experiences that they have had with family businesses. It also gives some insight into the concept of "familiness" in the eyes of customers when it is tied to family businesses. Emerging concerns

include customer loyalty and generational transfer, differentiation, choice, and retail heterogeneity; family business legacy; community ties and social stewardship; and community bonds and social stewardship. Additionally, the paper concludes with some ideas for future research that might further expand this field of study.

Astrachan, Joseph & Zellweger, Thomas (2008) Zellweger and Astra-chan provide a detailed evaluation that concludes this special edition. What is previously known about how family influence may affect a company's success is the major focus of the article. As a family may exert influence on a firm through its members' authority, experience, and culture, these three elements form the basis of their literature review. In his remarks, André Hoffmann explains the long-standing influence of his family at Roche Pharmaceuticals, the third largest pharmaceutical company in the world. In terms of revenue, Roche Pharmaceuticals has risen to the position of third place. The "Roche method of doing business" has been promoted by the Hoffmann family, who are involved in both the ownership and governance of the organization.

Garcia-Perez-de-Lema, Domingo & Duréndez, Antonio (2007) Researchers found that family company managers didn't think strategic planning and training programs helped their companies compete as much. Management accounting systems and cash budgeting are two management tools that family company managers use for decision making. This study adds to the literature by presenting new empirical evidence about the function of management in family businesses. The study's results could also help lawmakers make further strides in easing the way for family businesses to grow.

Birdthistle, Naomi (2007) To succeed in an environment characterized by high levels of uncertainty and continual disruption, the ability to learn is crucial for individuals and organizations alike. This article mainly focuses on the educational programs given to family businesses and the growth of Family Resource Centers. A response rate of 87.5% was achieved with a total of 112 replies. Based on the results, family business management is now a popular course of study at many colleges and universities, and it seems like the area is growing in most industrialized nations.

Vallejo, Manuel Carlos (2007) For starters, when you hear the phrase "family firm" thrown about, it usually means a company run by only one family. There has been no resolution in the scientific community over the criteria that must be employed to

define this concept. Regardless, several studies have attempted to standardise the criteria since the early 1970s. Therefore, we begin by reviewing, analysing, and discussing the suitability of the several criteria most frequently employed in the literature to define the term "family firm." Our next step is to suggest a non-exclusive, evolutionary stage-independent operational and integrative meaning of the word. Our concept is based on two things: first, the desire to pass the business on to the next generation of family members; and second, the possession of a sizable enough share of the capital to impact the decisions made by the owners' representative body.

Bertrand, Marianne & Schoar, Antoinette (2006) However, there are innumerable examples of family businesses that have collapsed due to nasty feuds, unmet expectations across generations, and the tragic tales of succeeding generations' incapacity to manage the family fortune. Companies operated by families make up a large percentage of the world's businesses. For what reasons are family companies prevalent? What effects does family ownership have on the management, economics, and overall success of these businesses?

Poza, Ernesto & Johnson, Sandra & Alfred, Theodore (2004) With this piece, we look at what's changed and how the participating firms benefited. Not only that, it also suggests that family companies might benefit from action research methods. Because action research has the potential to keep academics and practitioners connected to the real challenges faced by family-owned businesses, it can aid in the development of fundamentally useful information.

V. Ranganathan (2020) Consequently, a family-owned business may see its underlying value decline due to generational divides and differing opinions. When calculating a company's worth, the writer takes the price tag into consideration. The writer describes how, for many reasons, the value of businesses is clearly declining. Factors like as internal strife, incompetent leadership, and poor succession planning are to blame. The author poses the issue of fixing accountability for value destruction in this context. Business appraisal, according to the author, is both a science and an art. A company's premium valuation could be attributable to the individual who started it. Passing the torch from one generation to another is no easy feat. Formal successions do not always occur in substance. Professional conflicts are one of several potential problems that could arise in the event of a succession. Lastly, the author

suggests putting aside short-term gains from office and instead focusing on the long-term goal of protecting and improving wealth. So, the author has covered a lot of ground about succession planning and business value.

Ranjit Shinde (2020) A comparison of the financial performance of Indian family businesses and Indian Inc. is detailed in a newspaper article. Evidence suggests that Indian family enterprises outperform Indian Inc. as a whole in terms of financial success. Reports indicate that family firms have achieved a 14% annualized return on investment (ROI) on the stock market from 2017 to 2020, compared to 12% for professionally managed enterprises and 13% for Indian Inc. during the same time frame. Research on a sample of 2,770 professionally operated firms occurred concurrently with data analysis on 884 listed family owned enterprises. In addition, we gathered secondary data from the bank or other lending institution.

Pwc.com (2020) A consultant business headquartered in the US designed the website. After surveying and interviewing CEOs of the top 500 family-owned businesses in India in 2018, this firm came to the conclusion that, with the right solutions, family-owned businesses in India had a lot of room to develop. The global consulting business known as "pwc" helps with matters including resolving conflicts and concerns inside an organization, creating plans for the future leadership of connected families, handling matters pertaining to human resources, and facilitating communication across generations. For family business owners, it's a fantastic forum for talking about all things relevant to running a company.

Mr. Sunil Kant Munjal (2020) Mr. Sunil Kant Munjal, a panellist at the Madras Management Association's 8 February 2020 debate, made the following remarks: Hero Enterprise Chairman Mr. Sunil K. Munjal, Apollo Hospitals Group Vice-Chairperson Preetha Reddy, and Havells India Ltd. Chief Management Director Anil Rai Gupta were all active participants in the panel discussion. Family businesses were the subject of their presentation. As a result, the family company is quite intricate. While 80% of problems have the same root causes, each country has its own distinct set of answers. Following socialist patterns is necessary in the family but cannot be done in business. Most family companies declined after the third generation, according to the panelists. There is a great deal of investigation on this topic. Family

enterprises should always retain employees and work towards country building, according to Ms. Preeth Reddy.

K Ramchandran (2020) The researcher has descriptively presented growth strategy analysis of each group in terms of their turnover. The strategies related to consolidations, acquisitions, diversification professionalism, outsider manager, possible causes behind different decisions, restructuring pre and post 1991, creation of balanced portfolio of business, etc. has been presented in research paper. The researcher has also developed and presented models titled „family organizational transformation‟ and „Ten Commandments of family businesses. The researcher has presented different aspects about the survival of family business beyond three generations.

Institute of family business (2020) It is a platform where family business owners can get together and share their experience and discuss the common challenges. They provide a digital platform to its members to provide knowledge, survive, thrive and grow the businesses. It is a non-profit organization that gives guidance to its members and shares their experiences with the help of the internet. It is a digital as well as physical platform which provides advice for owners, managers, next generation entrepreneurs, SMEs‟, etc. the Institute of family Business also gets engaged in research under the name of IFB Research Foundation.

Inc.com (2020) Inc.com is a digital platform which provides different solutions to the business entrepreneurs on start-up, growth, leadership, innovative, technology, money and finance. The inc hosts several events, conferences, Award ceremonies and provides digital as well as offline platforms to the growth of entrepreneurship. Inc. com also provides information about family businesses. It narrates different aspects of family business such as family limited partnership closely held corporations‟ succession plan, issues in family business, family versus non-family employee‟s employment qualifications, salaries and compensation, family planning, business planning, estate planning, future of family business, etc.

http://www.kpmgfamilybusiness.com/ (2020) A blog on family managed and owned business maintained by KPMG family business an article written by Christophe Bernard dated 25 Oct. 2013. Clearly maintains that in the upcoming era

family businesses in India are on the way to prosperity; however, they need to meet the challenges ahead. According to Kerala Business conclave these challenges result in "As the new generation enters into business it is very challenging to keep the businesses and families together. Either one needs to be sacrificed. At the background of this only 13% of businesses survived up to 3rd generation. And there after only 4% survive.

Family Firm Institute (FFI) (2020) Educating, networking, and motivating professionals who assist family enterprise has been the focus of Family Firm Institute (FFI) for over thirty years. With an eye toward the world beyond borders and disciplines, it has become a premier online platform. It has brought together family business owners, educators, researchers, and professionals from all over the world.

Family Business United (2020) For family businesses throughout the world, it is the go-to web hub and publication. The family business community comes together on this web platform. Geographical areas served by this platform include the United Kingdom, Europe, Asia, the Americas, Africa, and Australia. Everything related to family offices, including money, investments, properties, leadership, management, communication, regulation, the following generation, and other family businesses. "The global importance of family business," "Changing family business world," "Understanding family business in India," and other research pieces are published by it.

famcap.com (2020) It is a digital platform which provides top 750 family businesses as per their ranking. The website accounts for the importance of family business worldwide and presents it with statistical data. The support is received from pwc.com digital platform. It provides family business number wise and country wise.

Mr. Shrikant Hargapurkar (2019) Mr. Shrikant Haragapurkar being IIT alumni Sr. Deputy Director ARAI (Automotive Research Association of India) Pune. He started his career as an engineer in Ghatge Patil Industries in Kolhapur He expressed his thoughts „on developing a "good vision" by the owner of the company". Developing a vision by the entrepreneur is highly essential. Accordingly, a very good proactive visionary entrepreneur can contribute for the betterment of the society. To the extent one can contribute for noble cause, that extent one is going to sustain in the market.

The entrepreneur must know the purpose behind the activity. In his discussion he referred to a book entitled as “Breakthrough Thinking” written by Mr. Gerald Nadler and Shozo Hibino. He also expressed his views on retirement planning, succession planning and customer relationship management of family-owned manufacturing businesses. Accordingly, the retirement should be properly planned and it should be executed in a phased manner. There should be planning for post-retirement activities. Mr. Hargapurkar asserted the importance of values in the family and in the business. In our Indian families we are taught to listen to the elderly people in the family. However, the differences in technological understandings and education may lead to generation gaps. At the time of succession planning, it should be addressed properly. A planner should plan in such a manner where the family values and vision should be aligned properly.

Mr. Prashant Shelke (2019) The researcher interacted with Mr. Prashant Shelke from Usha Enterprises MIDC Shiroli. Mr Shelke being grandson of the great Mahadba Mestri a third-generation family business entrepreneur could enlighten the researcher in various aspects of family entrepreneurship. He shared his lot of accumulated and cherished experience regarding handling family dynamics of the business. His entrepreneurship is attributed to developing innovative products and providing alternative solutions to the customers. He shared his thoughts upon the low-cost industry, employing new employees for cost cutting is the key for this. Difference between being an entrepreneur and being outsourced production manager for big MNCs.

Janmejeya Sinha and Varun Govindraj (2019) In the newspaper article published in Business Standard titled as “Dealing with Family Business" by Janmejeya Sinha and Varun Govindraj: The researcher has commented on two sides of family businesses stating that business where profit growth shareholder return etc. are the part of discussion, on the other hand another aspect is „family“ which is governed by love, fairness and trust, etc. Thus, two distinct dimensions of business are often concluded with each other. The researcher has recommended that business partners and stakeholders must take care to understand the “family” in family business to be enigmatic to deal with.

Hind Hourmatallah and Mohammed Khalis (2019) According to a study by Hind Hourmatallah and Mohammed Khalis titled "Organisational Change Management and Family Firms Socio-Emotional Wealth: What Form of Impact," the authors have analyzed case studies. Consequently, organizations in today's cutthroat business climate are under constant pressure to adapt in order to stay afloat. Two distinct methods have been considered by the researchers. One way in which organizations might change is by adapting to changes in their external environment, responding to present crises or unanticipated situations. The proactive strategy, which reflects the manager's perspective, is the second one. The researchers have a strong amphibology background, which is indicative of their family company. What follows is a formulation of the research problem by the researchers. How does the social and emotional capital of a family business affect the way an organization undergoes transformation? Organizational transformation is defined. So, what exactly are its dimensions and forms? In a Moroccan family, what are the elements that contribute to the smooth execution of organizational change? Obstacles to implementing organizational transformation! Moving from one condition to another, change entails modifying, adopting, transforming, and transitioning. In most cases, a major opportunity or danger from outside the organization will prompt a change. The Lewin's model, which is a three-step model of transformation, has been examined by the academics. Defrosting is the initial stage. Shifting gears is the next stage. Next, the process is refrozen. The study authors also take renown American psychologist Karl Weick's 1995 sense-making theory into consideration. Additionally, stakeholders' theory is referenced. Empirical research using publicly available data supplied by consulting firms forms the basis of the research report. In an effort to better understand and account for human conduct, the researchers have opted for interpretative and qualitative research methods. The results were derived from the Deloitte Survey. The data was analyzed using TROPES software in accordance with a case study procedure. The researchers have drawn the conclusion that there is a multi-dimensional influence of the socio-emotional context on the implementation of organizational transformation in family businesses. It would have a good effect if, for example, social ideals are accurate and obvious and family is well-constructed.

Bureau Business Line (2019) (Bureau Business Line, 2019)**:** In a newspaper article entitled as “Family Business; Most Have No Succession Plan, Finds ISB Study” by

Bureau Business Line**:** In this article the writer takes a review of research conducted by Indian School of Business on Succession Planning. Accordingly, most of the family businesses have no succession plan even if the founder is on the verge of retirement. As per this report there is no formal succession planning in 70 per cent of global family businesses. Same observations are there in the Indian context. An article expresses a view that proactive succession planning is a need of the hour.

Sunil Budhiraja and Ujwal Pathak (2018) The researchers have defined succession planning as the process of identifying a potential future leader, transferring ownership, transferring power and management, and developing leaders in line with the organization's goal in their study report. All of this ensures the organization's longevity and viability. According to the current research, almost three quarters of Indian bases do not have a solid strategy for future leadership. Put the succession plan out of your mind completely. When compared to professionally managed organizations, some practitioners think that Indian Fobs handle succession planning better. Indian family-owned firms now use a succession planning procedure, which the researchers describe. Family dynamics (i.e., the number of sons and daughters, their circumstances, and their relationships with one another), the degree to which family members exert influence, and the general lack of organization in the process are all crucial factors. Preference is given to the eldest son. When one family member is granted authority while others are neglected, it can lead to tensions between generations. Variations in perspective among generations, heirs' degrees of motivation, the need for outside experts, and the length of time the process takes all play a role. Decisions influenced by personal feelings pose a further risk to the current succession strategy. The study's authors advise being prepared for the possibility of a shortage of qualified family members by beginning succession planning early on and being receptive to other talent pools. Researchers in this scenario point to companies like Dabur and Wipro as examples. And the owners of the following generation can sit on the bench. Alterations in individual values accompany generational shifts, which the researchers have taken into consideration. Another thing that successful organizations do that the researchers noticed is that they prioritize developing their successors instead of just replacing them. Recent difficulties encountered by Indian Fob and the methods used by successful companies to overcome these obstacles and maintain their performance constitute the basis of the review.

Francesca Fornasari (2018) The researcher addresses the following: the fundamentals of family business, how it is defined, the societal benefits and drawbacks, the key elements of family company, and the collaborators in family firm structures. Family business management encompasses a wide range of responsibilities and organizational structures. Some of these responsibilities include defining family members' roles and responsibilities, ensuring that formal and informal structures are in sync, determining whether family members are qualified to hold certain roles, addressing interference between family and business roles, launching strategic initiatives, implementing innovation cycles, identifying enhancers and drivers of innovation capacity, and measuring innovation. Capacity for innovation within family businesses, environmentally friendly innovation. An example of an invention in the Italian setting is given by the researcher in the case study. With this research, we hope to answer the question, "can family firms be innovative?" Using three circular models and a bull's-eye technique, the researcher has offered many definitions of family business. Family size, company age, company strategy, internal control, and other key aspects of family businesses have been outlined by the researcher. Additionally, the researcher has taken into consideration three distinct kinds of family businesses, as well as degrees of kinship, family council meetings, family constitutions, and organizational structure design. In addition to outlining the processes required, the researcher has also provided a model for strategic objectives. Researchers have thus far demonstrated an innovation process in family-owned businesses through the use of case studies.

Dr. Piramal Marchant (2018): In this regard he asserted that family relationships matter a lot in case of succession planning. Good relationship management is key to establishing succession planning. A succession planning being a very long-term process, the family needs to keep abreast, proper plan to maintain proper trustworthy relationships within familyAny family business doesn‟t maintain proper value systems in family and business is bound to lose good relationships with the stakeholders. This will end up with lack of proper succession planning.

Chitra Narayanan (2018) In this article the writer has accounted for different reasons for problems in succession of family businesses. The writer has narrated the current trend of next generation family owners, that is, this next generation wants to

start their own business. Some of them are interested in modernizing the business. The writer has expressed the threat for longevity of the business with the help of statistical data of succession of family business. The writer has referred to the opinions of advisors of family business such as Ritter and Iqbal, and Zehnder. The writer quotes seven elements in this regard. Namely, values, vision, cohesion and family identity, communication and interconnectivity, family business involvement, family and business governance, sustainability of leadership. The writer has presented several aspects about succession planning.

Bureau of Business Line (2018) It is presented that India has the third largest number of family run businesses counted to be 111. The average annual returns of 13.9 per cent since 2006 having a market aggregate market capitalization of $ 839 billion. Out of 30 top best performing family-owned businesses in Asia 15 are from India. The researcher has presented the comparative statistics of performance of family-owned businesses in different Asian countries. The researcher for the purpose of study has considered the 20 percent holding capital in the hands of family as controlling stake are considered as family businesses.

Arvind (Aaba) Deshpande (2018) The researcher also interviewed Mr. Aravind (Aaba) Deshpande and could get very important insights from him about family-owned businesses. Mr. Arvind Deshpande is one of the leading manufacturers in MIDC Shiroli. He is the first-generation entrepreneur, who has struggled very hard to reach this level. Presently, he is a supplier for Mahindra and Mahindra.. In his early childhood he got an opportunity to interact with the renowned Shelke Business Family in Kolhapur. He could positively get mesmerized due to such association. He would observe Hungarian machines in the workshop of Mr. Shelke. This was a real inspiration for him to stand as an entrepreneur in future. Being a first-generation entrepreneur, he narrated how he was successful in creating confidence among other family members including mother and father who were initially against starting a new business by quitting a job from a reputed company. But Mr. Arvind Deshpande recalled that he had confidence to start the venture and lead it to great success. He said that the values imbibed by his father and mother helped a lot in this journey. Honesty, working through and for people, humility, social and philanthropic work, commitments, and reading a call of your own consciousness, etc. are the values which

remained very much useful. Commotion experienced in the disposition of humans makes him/her unstable and restless.

Mr. V. N. Deshpande (2017) The researcher interviewed Mr. V. N. Deshpande, who is founder director of Sound Casting Pvt ltd. Shiroli: In an interaction with him, he narrated his entire journey of entrepreneurship. He is a person of great vision and always persisted for quality supply. In the initial days of his career, for 16 years he was involved in service in a reputed foundry in Kolhapur. After quitting a job, he started his own workshop called "Sound Casting". Now his entire family is involved in the business. In his words "if a grandfather is waking up at 4 am in the morning, (in such a condition) a grandson (will) at least wake up by 6 am in the morning." This is the mantra of „succession planning" in his words. He expressed that maximum family businesses reach up to a certain level of progress. After that when they come to the level of growth and expansion, the business starts decaying. This happens because an entrepreneur is not able to delegate the work and get it organized properly.

Leila Bouamatou (2017) Economic conditions in Africa, where family businesses play an important role in driving growth, form the basis of the research. The researcher has investigated how women in Fobscontribute to succession planning. Female heirs to African family enterprises have been the primary focus of this research. Various family characteristics, including cultural norms, ownership dynamics, and management considerations, have been taken into account by the researcher. Eight female leaders participated in the qualitative study through semi-structured interviews. The researcher has collected data on how people view female leaders, what female succession is like, and what stands in the way of female succession. Various factors have been taken into consideration by the researcher, including but not limited to: gender stereotypes, the patriarchal attitude toward entrepreneurship, the availability of resources, the educational opportunities for girls and women, societal and cultural norms, obstacles to success in the workplace, obstacles to women's advancement in their careers, leadership roles within families and communities, and more. The study's author has discussed obstacles faced by female entrepreneurs. When gathering information, the researcher has left several questions unanswered. And has produced results that are abundant in substance. The

researcher has employed the snowball sampling approach and purposive sampling, both of which are non-probabilistic. The data was gathered using semi-structured interviews until the data collecting process reached a saturation point, at which further data gathering no longer yielded novel insights. About sixty minutes elapsed during the interview. Narratives gathered from the respondents form the basis of the researcher's presentation of findings.

Gregorio Sánchez Marín, Antonio José Carrasco Hernández, Ignacio Danvila del Valle, Miguel Ángel Sastre Castillo (2017) One of the most essential intangible strategic resources in establishing competitive advantage, according to the researchers in the study paper, is the organizational culture. Because family relationships have such a profound impact on people's attitudes, beliefs, and interests, organizational culture is especially important in the context of family businesses. This exploratory study intends to examine cultural typologies of family firms based on the degree to which family members are involved in running the business. Structured interviews were used to gather data from 491 Spanish companies. Only 491 out of 836 businesses got back to us after receiving our survey. The remaining 98 businesses did not belong to any particular family, whereas 393 were family-run. The food, textile, apparel, leather, furniture, transportation, and other related industries were represented by these businesses. The researcher has made use of a variety of statistical methods, including cluster analysis, Cronbach's alpha, and others. The researchers used the Organizational Cultural Assessment (OCAI) to examine the possible alignment of four organizational culture scenarios—Clan, Adhocracy, Market, and Hierarchy—with varying degrees of family engagement. According to the study's authors, an organization's culture consists of its employees' commonly held values, norms, and assumptions. Norms of conduct are strongly influenced by these ideas and expectations. Based on the degree of family engagement, the researchers have taken three different kinds of family firms into consideration. First, there are businesses that are mostly owned and run by members of the same family; second, there are businesses that are family-owned but whose management is overseen by outsiders; and third, there are businesses that do not fall into any category of "family" at all. According to the research, there is a strong correlation between the degree of family firm engagement and organizational culture. Organizational culture is one-of-a-kind and may be leveraged to gain a competitive edge. Based on their findings, the researchers have determined that family companies lean more heavily toward clan culture, whereas non-family enterprises lean more toward market and hierarchical culture. Researchers have also determined that

founders' personal and strong character traits, in addition to their professional imprint, can have a significant impact on the values and beliefs held by family businesses, which can be passed down through generations, and thus on organizational culture.

Gregorio Sánchez Marín, Antonio José Carrasco Hernández, Ignacio Danvila del Valle, Miguel Ángel Sastre Castillo (2017) According to the authors, this study aims to examine and contrast the values and beliefs held by family business members in two different nations. In an effort to identify cultural distinctions between family-owned business members and non-family professionals, researchers polled 163 family enterprises in Ukraine and 168 bank managers in the United States. The researchers review the literature and state that family enterprises are understudied, particularly when it comes to cross-cultural study, despite being a significant source of entrepreneurship. According to the research, family culture is a major factor in the success of family businesses. A person's ability to develop and achieve goals is significantly impacted by their family's culture. The family business could be ahead of the competition if success-oriented principles are deeply ingrained in the family. Family values and objectives are two major aspects that influence family organization behavior. The values and views held by family company owners differ greatly from those held by non-family professionals and managers, according to this study. The study's authors hope its findings will be useful in the fields of marketing, organizational behavior, and cross-cultural human resource management.

Dr. R. K Diwakar (2017) Conceptual frameworks for the industrial sector have been taken into consideration by the researcher. These frameworks include: micro, small, and medium-sized enterprises (MSME), the geography of Maharashtra, the yearly survey of industries, incubators that help SMEs grow their entrepreneurs and managers, Udyog mitra, and institutional support for SMEs. The goals of the research were to examine employee motivation, different elements that motivate employees and their impact on performance and job satisfaction, as well as the link between job satisfaction and employee motivation and productivity. Motivation and work satisfaction are complex topics, and the researcher has covered a lot of ground theoretically. Researchers in the Kolhapur area surveyed 975 workers from a variety of businesses and 94 companies to compile their findings. The researcher has investigated, gathered, and analyzed data pertaining to a number of factors associated with motivation and work satisfaction. Factors that influence performance include

educational attainment, marital status, length of service in the same industry, salary, working conditions, safety measures, cost of living, frequency of wage and salary settlement, allowances provided, training facilities, opinion about work, level of job satisfaction, employers' attention to employees' physical working conditions, self-respect and prestige within the organization, bonus, retirement benefits, promotion, festivals, manager's interest in building the right attitude, workplace safety, and several others. Job happiness and motivation have been the subject of much research.

Steven Thomas Perret (2016) Theoretical groundwork for the topic has been laid forth by the researcher. The researcher has explained what "Fobs" is, the significance of succession planning, the relationship between family-owned businesses and their longevity, and the notion of succession planning. This study aims to examine the levels of succession planning in family-owned businesses in south Louisiana, as well as the impact of demographic features and certain components of succession planning on these levels. The researcher has seen a lack of study on the topic of succession planning and the demographic factors affecting succession in family-owned businesses in south Louisiana. Identifying the characteristics of the sample population is a primary goal of the research. The data was gathered by the researcher through the use of interviews and questionnaires. Additionally, the researcher has defined what constitutes a satisfactory succession score. A total of 136 replies have been gathered by the researcher. Owners and managers of family-owned businesses were more positively impacted by high-quality succession plans, according to the study.

N Vaghul;Arun Dugga;Harsh Mariwala;Pradip Shah;Adi Godrej;Arun Nanda;Ranjit Shahani;Hemendra Kothari;R Seshasayee Spencer Stuart, a business consulting firm active in 27 countries, convened a round table discussion in which several executives from Indian family businesses took part. They shed insight on succession planning from an Indian viewpoint in their conversation. Consequently, there are several phases that businesses go through when leadership becomes an issue. By delving into succession planning, the round table hopes to find an answer. Topics covered during the event included the value of succession planning, the merits of developing a succession plan with an eye toward the future, the methods used by Indian organizations, and the difficulties faced by Indian corporations. The following were the criteria that were considered: Board succession is the first topic to cover.

This includes topics such as the board's makeup, how it operates, the situation in India, the lack of talent, and the legal considerations surrounding succession. Secondly: The Next Chief Executive Officer: Proposed Plans, Pitting the Community of Investors Against the Community of Analysts. Thirdly,: Leadership pipeline: developing a pool of candidates to fill positions below chief executive officer. The first suggestion was to investigate the feasibility of separating the board's ownership and control functions. Issues like internal v/s external successor. In family-owned enterprises, the practice of separating ownership and management seems commendable and polished. On the other hand, succession planning for large-scale family businesses dominated the conversation.

Mr. Vijay Menon (**2016**): The business professional executive structure is affected by the organizational structure, which can cause instability. There are two sides to a family business: the family side and the business side. Businesses rely on data, processes, and strategies, but families rely on emotions and connections. Family and business issues are discussed. In the home, they make less-than-ideal judgments, and at work, they stifle advancement. Politics permeates every aspect of life, from families to businesses, since humans are inherently political. According to Mr. Vijay Menon, families should not be involved in business and instead should recruit persons from inside the family to work for the family company. The idea of "family baggage" was also covered by him. He described the procedure for running a family company. 1) Founder Owner: personal connections might be the source of funding. Family isn't vital for business, but they are supportive. 2) When children are involved: sibling partnerships. Religion and business go hand in hand. A variety of ways could eventually arrive at the same destination. thirdly, a cousin consortium: a group of individuals working together toward a common purpose. At this point, the bulk of the research has taken place. Since the company is expanding, the study need to center on the founder-owner stage. The founder-owner stage lasts for twenty-five to thirty years. Which is further broken down into five distinct phases, with each phase lasting between five and six years. There are new challenges and possibilities at each stage. The initial stage is known as the startup phase. Here, the founder-owner is still learning the ropes. Competence, capital, approval from higher authorities, product quality, etc. are all necessities at this stage. The second stage is characterized by unchecked expansion. Additionally, concerns regarding quality, customers, and

human resources. A regulated expansion characterizes the third stage. The delegation phase follows the fourth stage. Here, experts in human resources, marketing, and production must be brought in. At this point, the entrepreneur could be the one holding things back. This is the time when people of the same generation like to congregate. With the passage of time, these individuals age. This leads us to the last level, the succession stage. Two parts make up the succession stage. There are two types of succession plans: one for management and another for ownership. Management succession plans shape an organization's trajectory into the future, whereas ownership succession ensures a family's or a company's continued existence. You are not the initial point of contact for problem-solving in this scenario. In terms of educational value, history ranks high. Making errors is the most costly way to learn. In all civilizations, the earliest type of ownership—family businesses—generates 60 to 70 percent of GDP.

Maria Jose Parada Balderrama (2016) "Understanding Different Dimensions of Family Business from A Contingency Perspective" is the title of Maria Jose Parada Balderrama's doctoral dissertation. The researcher has looked at five separate but related studies that address various aspects of family businesses from a contingency perspective. The study's topics include family dynamics, the challenges of maintaining familial bonds over time, the need for more professional involvement in family businesses, different parenting styles and how they impact the behavior of future generations, and the level of family business knowledge among policymakers. There is a methodical approach to the research. The researcher uses care studies as a qualitative method to explain and comprehend how family businesses have evolved through the years. Family dynamics, professionalization of relationships within the family, decision-making domain, and complexity of succession planning all play a role. Parenting and the development of the next generation, as well as the impact of different parenting methods on family businesses. Associations of professionals and the ways in which they influence the study of policy and the conduct of educators. The statistical impact of a family-owned company. Let me introduce you to an innovative idea: entrepreneurial family teams. Some have said that family firms are more adaptable, make better decisions, and are less regimented in their management. A qualitative approach and case study have been chosen by the researcher. By taking this route, one can learn more about the phenomena in question, which could

eventually lead to a better understanding of it. Before, the researcher would apply an interpretative approach to data analysis. Seven members of the family, including two in-laws who are in charge of the family company, were interviewed in an open-ended fashion to gather data for the researcher. In order to delve into the numerous facets of family business that were previously described, the researcher has conducted in-depth, face-to-face interviews with different business families to gather qualitative data. Case study approaches were used to convey the data analysis. According to the results and recommendations, family pool resources include leadership and relationship knowledge. It is believed that as families get more complicated, more individuals from different branches of the family become involved, each with their own unique skill profile, interests, and degree of intimacy. To have a better grasp on the intricacies of family succession, the researcher has spent 60 hours conducting flexible and open-ended interviews with 22 individuals. As well as three cases. The researcher also sought to understand the "professionalization of family business and decision-making domain in family business" by conducting in-depth, open-ended interviews with eight people ranging in age from 40 to 75. According to the study's findings, professionalization has received very little academic attention. Another aspect that the researcher examined was the relationship between "parenting styles and next generation development." A variety of parenting styles, including authoritarian, permissive, and uninvolved approaches, have been discussed by the researcher. It appears that parenting approaches have an effect on how children grow up and, by extension, how they act. Researchers have successfully studied several aspects of family businesses.

Henry Hutcheson (2016) What makes a family company unique is explained in depth in the book. It describes methods for resolving conflicts, strategies for dealing with emotional intelligence, mentoring the next generation, managing the family and business finances, and the role of women in these contexts. For the most part, the book is devoted to discussing how to prepare for the next generation to take over the company and how to ensure a smooth transition of ownership via education and preparation.

G. Flamholtz and Randle (2016) There are a total of 10 chapters spread over the book's three sections. Building Family Business Champions is the first instalment that

provides a detailed description of the structure and development of family-oriented businesses. In the second and arguably most crucial section of the book, the authors lay out the groundwork for expanding the family company. Strategic planning, SWOT analysis, and building an organization's structure are all described in detail by the author. Designing aims and targets for every tier of the company's hierarchy. Also covered in this book is the significance of cultural customs inside the family and the company, as well as methods for integrating the two. Cases involving leadership and succession are covered in the book's last section.

Anshika Sharma and Dr. Nisha Agarwal (2016) The researchers provide a three-part account of the evolution of succession planning research from its inception in 1960 to the present day. Reviews of current literature that are accessible to the researcher form the basis of the historical narrative. However, small-scale firms fail due to a lack of "succession planning," even though MSME is crucial to the economic growth of most nations, according to the experts. Fayol was the one who initially proposed the idea of succession planning. When an employee leaves, retires, dies, or is fired, the company can be ready thanks to succession planning. According to the study's authors, succession planning takes time. It is composed of three primary parts. Specifically, change management, the responsibility of developing a successor, and candidate selection. The following methods were also mentioned by the researchers: action learning, mentorship networks, job assignments, and 360-degree feedback. Other concerns with succession planning process management include awareness and communication. Writing the study paper serves three purposes for the researchers. I will start by looking at succession planning from a historical standpoint. Second, learn about management's succession planning process. Thirdly, succession planning is crucial. In all kinds of organizations, succession planning became more important after 1990. For psychological reasons, most businesses avoid succession planning. This is especially true when it comes to concerns about potential ownership or stakeholder conflicts within the family. Issues with succession planning, such as obstacles to the process, strategic management and succession planning, selecting a successor, and facilitating communication between the current leader and their successor, have been considered by the scholars. Succession planning takes a long time. Succession planning is an important business strategy, and the researchers have done a good job of painting a complete picture of the topic.

Neza Rangus (2016) Following the theoretical and introductory phase of family business, the researcher asks, "How can the younger generation successfully take over the family business?" Six business families from the Republic of Slovenia were interviewed in semi-structured interviews for this study, and the results will be presented in the form of six case studies. Two people from each family company were interviewed by the researcher. In order to clarify the term, the researcher has used three of the circular models proposed by Gersick et al. The researcher has considered the pros and cons of family businesses, as well as the differences between them and non-family businesses. The researcher has continued by outlining the elements that influence generational transition after this. A candidate's level of heirs—their education, job experience, motivation to join the organization, and any relevant work experience both inside and outside the company—are all relevant criteria. Interactions within the family, succession and tax preparation, family councils and boards, etc

Peter Leach and Tatwamasi Dixit (2015) Case studies of several companies, such as the Murugappa group, the Ambuja group, the Haldiram group, etc., are used to illustrate the points made in this book. Family businesses in India have a rich history, which the writers trace. Their story is one of the values-based management of a family company. The writers also take into consideration the significance of corporate professionalism. They also detail the steps to take in order to elevate the company's level of professionalism. Addressing issues with succession and family members' departure from the firm is the focus of the book's concluding section. Further topics covered in the book include charitable giving, family offices, and asset management. The book covers several facets of family-owned businesses in this way.

Kavil Ramachandran (2015) The author offers ten commandments that are quite useful and instructive for running the family company. The writer has detailed several stories, instances, and models. When trying to pin down what it means for a family to own a company, he thinks of dioramic explanation. The first commandment, to communicate and establish trust, is offered in the first chapter following the introduction of the notion of family business. In this commandment, Christ describes in detail how to communicate in different contexts. Using these methods, family members are able to communicate more effectively with one another. The author's second piece of advice concerns elevating the family business to the level of a

professional enterprise. Upholding and putting into practice principles is outlined in the third commandment. The mechanics of handling ownership problems are laid forth in the fourth commandment. Retirement and succession planning are outlined in the fifth and sixth commandments. The development of entrepreneurial traits is emphasized in the seventh commandment as a means to sustain a business. Creating a plan for the future of your company is outlined in the ninth commandment. Family charity in business is explained in the tenth commandment. Leadership characterized by compassion is discussed in the final commandment. With an Indian background, the novel is written. And it does a great job of explaining the complexities of running a firm that is owned and operated by a family.

Christine Soh, Chris Carr, Tony Kinder, Yangpei Lin, and Mohammad M. Mousavi (2015) When it comes to making strategic investments, the academics share their thoughts on the disconnect between theory and reality. The researchers have looked at how manufacturing businesses in Singapore actually work. What is the most important factor influencing their strategy practices? That is what the researchers have investigated. A case study methodology has been chosen by the researchers. Ten different firms in Singapore provided the data. The study's authors draw conclusions on the extent to which the sample population understands and can apply strategic principles to financial decision-making and management in the research report.

Bharati Motwani (2015) The study's author concedes that family businesses contribute significantly to national GDP growth. Capital and management have intrinsic synergy, which might lead to outperformance. Additionally, the study takes into consideration several aspects of family businesses. Until the previous ten years, the study claims, management theorists paid little attention to family businesses. Although studies focusing on family businesses have increased in number throughout the past decade, this area of study is still in its infancy. The study's author stressed the need of delving into the myriad factors that contribute to the success or failure of family businesses. This study makes an effort to investigate, within the Indian context, the factors that are most important to the success of family businesses. To find out what factors influence family businesses to achieve or surpass their performance goals, the researcher has developed the following study question. They have a greater failure rate due to factors such as family strife, incompetence in the

following generation, unequal distribution of profits, and an absence of professionalization, strategy, and succession planning. Owners of family businesses have three alternatives when it comes to getting out. One option is to sell the company to a third party. Secondly, pass the company on to close relatives and friends. Finally, shut down the company. Important considerations include the separation of firm ownership and management. Some studies have found that family businesses are superior to non-family ones, and the researcher notes that this is not always the case. Conversely, businesses that are run by relatives or other close relatives of the owners do worse than those that hire outside management. There have been calls for more advanced methods of analysis in the field of family businesses. For example, a SEM (Structural Equation Model) search found that there were just thirteen published empirical studies on the topic from 1989 to 2013. The purpose of this exploratory study was to examine, using a self-structured questionnaire, the elements that contribute to the success of family businesses. We utilized a 5-point Likert Scale. The pilot study's results were examined. Five hundred shareholders of large-scale family businesses were surveyed using a questionnaire. The response rate was 232, or 46%. The investigator used suitable statistical methods to investigate ten hypotheses. Meeting or exceeding performance goals in a family business is associated with enhanced transparency, a conducive environment, integrated communication, and financial management, but not with distinguished documentation, professional attitude, innovative training, immense trust, entrepreneurship development, or evaluation standards. Nevertheless, only large-scale enterprises are being surveyed for this investigation. Regardless, generational transition—that is, the passing of the family business—has not been well addressed in the studies, despite the fact that it is a highly influential component in the company's success.

Andreas Askmark and Daniel Ruus (2015) Using a case study of six family businesses in Sweden, the researcher examined the problem of appointing a non-family CEO to oversee the succession of family businesses in that country. Owners of family businesses and NFC have competing worldviews. The researcher's perspective on the impact of non-family CEOs on their connection and expectations has been shared. According to the study's author, disagreements and conflicts stemming from competing lines of reasoning are a major cause of owner-CEO relationship breakdowns. Conflicts sometimes arise due to the professionalism displayed by CEOs

who are not family members. Family company owners and the NFC connection are affected by service affecting elements, which the study has also found. Theoretically, family-owned businesses have also been considered by the researcher. Topics covered include the responsibilities of a chief executive officer who is not a member of the family, the construction of strategies, the management of responsibilities and expectations, and competing logic. Using a case study approach, this research aims to uncover more information. Recruitment of non-family CEOs is something the researcher has touched on. He has also presented and researched family ownership logic, taken agency theory and stewardship theory into consideration, and created a matrix showing how misunderstandings between owners and NFCs may damage their relationships. This study's overarching goal is to learn more about NFC and its use in family businesses. A combination of convenience sampling, the purposive sampling approach, and the snowball sampling method were used by the researcher. Good relationships with family and non-family CEOs depend on role clarity, clear expectations, and a commitment to similar values, according to the study. Ideally, NFC will have a lengthy lifespan. The need of clearly outlining and conveying expectations has also been well conveyed by the researcher.

R. Vani, M. Chandraiah, C. Prakash (2014) Eighteen study goals have been embraced by the researchers. Specifically, the following: the current state of family companies, the variables that significantly impact them, the methods used for managing these firms in the Nellore region, demographic considerations, the importance of women in these enterprises, leadership styles, and the difficulties encountered by these businesses. Based on responses to structured questionnaires sent out to twenty family-owned SMEs in the Nellore area, the researchers have produced a descriptive study. Their results are as follows: There are one hundred male entrepreneurs and zero female entrepreneurs, with the majority being first-generation company owners. A large portion of the owners have degrees. When they were first starting out, the majority of entrepreneurs encountered some sort of difficulty. The family business has been defined by the researchers in the theoretical section of the study paper. Additionally, they provide extensive data about the impact of family-run enterprises in India. The study's authors have also provided excellent case studies of thriving family-run enterprises. The experts also detail the most important factor that decides how well a family and a company work together. Twenty significant

difficulties encountered by family-owned and -managed enterprises were also taken into consideration by the researchers. Various castes in the Indian setting have contributed to the expansion of family companies, which the researchers have taken into consideration. Theoretically sound as it is, the researchers have delivered solid descriptive work.

Noel M. Tichy (2014) Concerning succession planning, he discusses a range of cultural, political, and technological aspects. Organizations such as JC Penney, Ford, DuPont, and others have their leadership transitions and succession plans studied by the author. The current CEO's job, the Board's function, the HR practices followed in the firm, and the conundrum of internal vs external successors are all well explained in the book. With the example of TATAs, S.C. Jonson and son, and others, the book also considers the succession planning of family business companies. Organizations such as farming and non-profits are also covered in the book. Additionally, the book includes a timetable for passing the torch to the next generation of leaders. An additional focus of the book is the 360-degree feedback system. Succession planning has been made much easier by the author's excellent framework.

Hasina Sayed, Rahi Sharma, Ratnesh Desai (2014) The essay delves into the correlation between education and training for certain jobs and the growth of family-run businesses. The study's authors note that 67% of India's publicly traded enterprises are family-run. The study's authors think about a variety of problems that family managed firms face. This includes issues like incompetence in management and training leaders for the future. The researchers set out to accomplish two things. Firstly, they wanted to know whether FMB in India needed formal or professional training to succeed in both related and unrelated industries. Additionally, we aim to emphasize the positive impact of business-related training on the growth of FMB in India. Seventy participants filled out the researchers' primary data survey. People from all walks of life, including manufacturing, services, and commerce, participated in the survey. The chi-square test was utilized for the analysis. Type of firm, family demographics, business details, education role, formal business training, etc. were among the important factors that were gathered. Academic background and professional experience are examples of independent factors that have been examined by the researchers. In addition to independent factors like company growth, business

diversity, management competence, and professionalism in the workplace. After reviewing the data, we found that 61 out of 70 FMB owners think education is crucial and can help with management. Questions about business and skill-related training were also included in the survey. Based on their findings, experts advise that future generations of FMB get professional degrees to better prepare them for the workforce and build their experience.

Dr. Suruchi Pandey and Deepesh Sharma (2014) Industries' present practices and approaches to succession planning are the main focus of the study. It is difficult for organizations to establish a systematic approach to finding, nurturing, and keeping their most promising employees. Succession planning is emphasized by the researchers through well-executed literature studies. The researchers surveyed sixteen different organizations online to get their primary data. Researchers gathered data on the following topics through this survey: the importance of succession planning in organizations, the structure of the current procedure, the use of automation, and how it can be improved for future tangible benefits of succession planning. In addition, interviews were carried out via telephone. The main results were provided by the researchers. (1) It is difficult for most companies to locate qualified applicants for managerial positions. (2) Research shows that organizations prioritize other initiatives when allocating funds, rather than succession planning. A chain reaction of setbacks may ensue if talent management is not integrated with succession planning, which in turn leads to the departure of high-potential workers (HIPOs). (3) Unfortunately, many organizations fail to see the potential of succession planning because it does not yield instant results. (4) Difficulties with skill pool development, hazy future demands, outdated technology, and inadequate evaluation tools are all obstacles to effective succession planning. The study's authors argued that meeting current and future skill needs requires action now. The establishment of a talent pool was acknowledged by all respondents as a significant obstacle to succession planning. And the incapacity to foresee required services. Individual development plans, career ambition plans, manpower forecasts, and succession planning should not be considered in isolation. This connection completes and improves the efficiency of succession planning. The majority of businesses are either involved in only one process or are completely unrelated.

Burcu Ozge Ozaslan Caliskan The study report delves into the HRM practices that family-owned SMEs employ. As a result, family-run SMEs aim for a middle ground between top-down HR policies and bottom-up culture norms. There has been a pitiful amount of study on HRM practices in SMEs run by families. The study explains the disparity between the formal HRM techniques used by large organizations and the informal HRM practices used by SMEs. The researcher considers the pros and cons of family-run businesses. Training family members at a young age is the main benefit.

Alexandra Burns (2014) Understanding the difficulties faced by family-owned businesses as they pass the torch from one generation to the next is the overarching goal of this research project. The research takes place in the United States. In order to gather data for the study, second, third, and fourth generation company owners were given free-form questionnaires to fill out. The researcher has compiled a database of company transition stories from the past. Reviewing literature and collecting data on variables such as mentorship, shared leadership, generational differences, relationships, transition over time, education, knowledge transfer, employment outside the family business, technology and change, etc., the researcher has gained an understanding of the various challenges faced by these business owners. Using a combination of quantitative instruments, including an online questionnaire with open-ended questions, the researcher has conducted this study. Mentorship and shared leadership, according to the research, are two essential parts of the transition process.

Swetha Kannan and T.E. Simhan (2013) The author highlights important aspects of passing the family company along through the generations. The authors take into consideration the fact that family businesses go through various transformations during time. The authors cite McKinsey, a consulting organization. As a further consideration, the authors highlight the distinctive aspects of Indian family businesses. Additionally, the authors investigate how much family involvement there is in the management style. Recruitment policies for family members into the firm. Additionally, the writers detail a scenario where family companies restrict relatives from joining the company due to their incompetence. It is believed that in order to ensure a smooth transition of power from one generation to another, a business owner should instill moral principles in their children and grandchildren. In the end, the family company acts more swiftly.

Nor – Faud Bin Abdul Hamid (2013) Using Gersick et al.'s three-circle model, the thesis delves into the impact of family business culture. From 1971 to 1990, the researcher takes into account the new economic policies and the entrepreneurial focus. The focus of the study is on family businesses in China and Malaya. It spans the time from the beginning of British colonization in the 18th century to the age after independence, drawing on secondary sources of literature. Concerning cultural and environmental impacts on small family businesses, the researcher is primarily concerned. The definition and traits of family businesses are the subjects of the researcher's study. Its phases, aims, and objectives; company dynamics. Family businesses and non-family businesses were also contrasted in the researcher's study. Values, conventions, and beliefs specific to family businesses, Malaysian culture, and Chinese belief system are all taken into consideration by the researcher. The social capital and networking of families are also investigated by the researcher. Missing data on cultural methods, empirical evidence, family businesses' ability to survive over the long term, etc. The researcher used mail surveys and semi-structured in-depth interviews as their study approach. Using a basic random procedure, data was collected using the postal method. Also, using purposive sample for in-person interviews while doing in-depth interviews. With the use of basic random approaches, 500 respondents were chosen from the database population and mailed a stamped, self-addressed return envelope. In contrast, steady in-depth interviews were employed for qualitative research. A non-probability sampling method, judgmental sampling was employed by the researcher. Factors that influence development and survival throughout generations. The use of mixed approaches in exploratory research is the most important new development in the field.

Filomena Canterino, Stefano Cirella, Abraham B (Rami) Shani (2013) The researchers have defined transformation in this study report. The term "transformation" refers to a significant change in the way an organization's values, culture, structure, routine, and "how to do business" are seen and implemented. A major transition in an Italian fashion design firm is the main focus of the study paper, which depicts a five-year process beginning with the family's choice to recruit an external CEO for the first time in the company's hundred-year existence. Researchers highlight the significance of family businesses by outlining their defining characteristics. The researchers adhere to the organizational paradigm proposed by

Galbraith (2002). Taking the helm of a family business's change calls for the mindset, approach, and tools of transformational leadership. Four aspects of transformative leadership were highlighted by the researcher. All of these things come together to form an idealized impact that serves as a role model; they stress the significance of a shared purpose; they motivate and inspire others to think creatively and innovatively; and they stimulate new ideas. To guide transformation in family businesses, the researchers suggest a three-stage methodology. Three states in particular: the current, the transformed, and the future. A case study that was chosen with purpose serves as the research approach. The family business was one of the top five designers of quality silk products for luxury fashion labels, and the researchers followed its evolution to learn more about the industry. The research team describes the industry profile and the company's pre-transformation state, as well as the post-transformation state, including financial reorganization, the introduction of a culture of accountability and responsible reporting among managers, the selection of managers from outside the family based on performance standards, and the modification of the vision statement. There has been some thought to reorganizing the management ranks, reorganizing the sales and production teams, etc. This study makes a significant theoretical and practical contribution to the field of family-owned and -operated businesses. But the researchers explain the transformation's effectiveness under the leadership of an outside CEO in a study article. The results are not uncovered by the researchers once the external CEO returns leadership to the family. A family business might be regarded successful if its members carry on the successful transformation. If this were not the case, it would be a triumph for the external CEO's professional strategy. The study used Italy as a case study because of the country's advanced economy.

Judit Csakne Filep (2012) In the context of family businesses in Hungary, the researcher has taken into consideration relevance, relevance, and succession. All aspects of succession are thoroughly investigated in the thesis. The researcher has sent out questionnaires to 27,22 businesses in Hungary, and their responses form the sample. Five hundred and twenty-eight businesses have responded. In this study, cluster analysis was employed. As a result, the researcher has drawn the conclusion that it suggests a significant distaste for succession planning. Successors with familial links are in a tough spot, according to principal component analysis. Family ties do

not supplant readiness in the majority of family-run firms. It goes so far as to suggest elevated anticipation. The researcher has covered four main points: the tendency to plan for succession, expectations regarding the successor, characteristics of various family businesses' succession processes, and the substance of succession plans. As a result, the focus of the research is on the family business's succession planning.

Dalton Penedo Sardenberg (2012) An improved comprehension of the causes and consequences of agency conflict in family company governance is the overarching goal of the research. The study is based on actual data. Four Brazilian family enterprises have been the subject of the researcher's case studies. Additionally, the researcher has put out a model for agency conflict in family businesses. The researcher finds the things that make family ownership and management in family-owned businesses more tense, and the things that make them less tense. The researcher has surveyed 152 family-owned firms of different sizes in Brazil. The researcher used structural equation modelling for testing empirical validity of the model. The researcher has conducted a vast literature review about family business and agency theory. The main objective of the thesis is to propose a theoretical model that allows identifying the principal inducer of Agency Conflict in family business. The main factors of conflict in family business in Brazil, type of capital structuring, financial and economic performance of companies, tools and practices of management control, relevance of transparency, criteria for succession negotiation, etc. As a part of research methodology existing qualitative methods grounded theory was initially chosen as a methodology was used. Interviews were conducted for data collection through questionnaires as well as secondary data was collected. Total 168 questionnaires were received. The researcher gathered information about family council, family harmony, and family‟s interest in firm, integration of family with the firm. The researcher has also presented different models and constructs such as legitimacy construct, impartiality construct, etc. However, the grounded theory has certain limitations such as measures used are more subjective and can lead to bias.

Philipp Sieger (2011) Academic and economic significance of family enterprises, as well as their definitional understanding, have been taken into consideration by the researcher. The researcher has examined the succession of family businesses and entrepreneurship at the firm level. Literature reviews of scholarly articles have also

been offered by the researcher. Entrepreneurial orientation in long-lived family enterprises, autonomy, innovations, risk-taking, proactive competitive aggression, and two separate investigations make up the dissertation. Part two presents the study's findings on entrepreneurial middle-level managers, focusing on the dynamics within the business and the importance of psychological ownership. Researchers in the third study looked at the emotional investment and contentment with work of non-family workers. Looking at how perceptions of fairness and psychological ownership play a part. Three case studies from Switzerland form the basis of the first section. A total of 403 middle managers from both non-family businesses were surveyed for the second paper. Data from 310 non-family employees form the basis of the third publication. up a striking way, the researcher has filled up study gaps. The researcher has made a distinction between literature on family businesses and literature on entrepreneurship. Three semi-structured interviews were used to gather data for the case study. An examination of entrepreneurialism within the framework of family businesses has been undertaken by the researcher. Consequently, in an effort to distinguish entrepreneurship from business managers and the general population, research at the human level has mostly focused on features and attributes. Support from upper management, autonomy in the workplace, opportunities for positive reinforcement, available time, and clear limits are the five most important organizational factors that influence the entrepreneurial behavior of middle managers.

Craig E. Aronoff, Joseph H. Astrachan and John L. Ward (2011) It covers the topics such as importance of making family business policy, procedure of developing the policy, shareholders agreements, creating a family council. The author also accounts for creating policies for compensation, performance evaluation, employment generation, code of conducts, policies regarding holding of shares and it‟s buying and selling, policies in relations to retirement, policies related to philanthropy of the family, policies relation to the distribution of dividends, using family name, loans and venture capital, establishing family office. The book also demonstrates the creation of policies of different families such as the Goldoni Family, Harlan Family, etc.

Wallece, Jeffrey S. (2010) With the aid of the literature evaluation, the researcher has given a theoretical investigation. The researchers set out to identify the multiple determinants of financial performance and profitability in family-owned businesses.

Many researchers have sought to define family-owned firm, but most of them have concentrated on other types of businesses, as the researcher pointed out. On the other hand, it doesn't seem like any of these definitions have really taken off just yet. The rise in studies focusing on family businesses has been explained by the researcher. Gender, age, education, race, health status, managerial activity, and community support satisfaction are some of the demographic factors and personal characteristics that have been studied in this study. From a personal perspective, there are a number of aspects that affect a company's liquidity, responsibilities, and size. Both family businesses and their management have been the subject of separate investigation by the author. According to the author, there are more benefits than drawbacks to having a large number of family members involved in a family firm. The researcher has also pointed out that the phrase "successes of family business" is subjective and open to interpretation. Money may not be everything when it comes to gauging a company's performance. Profit isn't the only thing that businesspeople care about; they may also want to improve their lifestyle, feel good about themselves, advance in their careers, etc. Intertwining personal and company funds is another topic the researcher has covered. The researcher does concede that other scholars have come up with their own ways to gauge the viability of family businesses. There are both subjective and objective metrics that the researcher has used to gauge success. The family company manager's subjective evaluation and the family firm's total financial success serve as the objective and subjective metrics, respectively. A total of 708 houses were interviewed for the final sample. The study concludes that the researcher has investigated several facets of family-owned firms' financial situations.

Lucia Ceja, Remei Agulles, Josep Tapies (2010) The authors of this study have done extensive research on the relationships and interdependencies among vision, mission, and values. Examining the corporate principles of the biggest family-owned and non-family-owned businesses in the world, this research report aims to provide a philosophical definition of value. "Organisations need employees who are emotionally and deeply bound to a company’s mission, vision, and values." (Researchers' emphasis) Only when a company's core principles are solid can its employees form deep and lasting attachments to the company's goals and objectives. According to studies, family-owned businesses tend to have more basic, humanitarian principles. The values held by non-family businesses, on the other hand, are more

commercial, impersonal, and focused on the bottom line. Because of this distinction, family firms are able to maintain a strong corporate culture. From the perspectives of moral philosophers, theologians, psychologists, lawmakers, and educators, the researchers have made a commendable effort to define "values" by drawing upon appropriate literature. The researchers have chosen the top 100 biggest family-owned enterprises in the world and have implemented study methods. The researchers have compiled information from value statements found on the websites of both sorts of businesses, analyzed it, and focused on the 23 most common values. The study's authors have shed light on how family businesses might make use of certain elements to promote the aforementioned ideals. The study's author clarifies the distinction among values, goals, and purpose, as well as their inherent relationship and interdependence. Mission statements should be reviewed on a regular basis, according to the experts. You could hear "adjusting," "updating," or even "reminding" instead of "change" when you see this modification. Values, according to the experts, are harder to alter. They remain fundamental to the way the family views and wishes to run its business. It is necessary to seek for, cultivate, appreciate, and/or safeguard the values. Values associated with objects, values of final states, and values of behavior are all provided for by the researchers. In their work, the scholars cite Aristotle. Furthermore, you must recognize the inseparable relationship between family values and business. All stakeholders should be informed of the vision, mission, and values, according to the study. It is important to keep an eye out for any shift in the value system. Crash courses cannot inculcate new values. It is appropriate to reinstate the principles throughout a business succession. A total of two hundred businesses, both family-owned and not, had their websites analyzed, with a focus on the 23 most often stated values. The most important things on the list are honesty and respect for others. Among the most important principles held by the top 100 biggest family-owned firms are the following: kindness, humility, communication, entrepreneurship, service, creativity, excellence, and quality. The researchers have detailed the philosophical framework, its effects on the company, and methods for incorporating these principles into the company's operations. Management, psychology, and philosophy are some of the fields that this study article draws from. The study's authors conclude that, compared to non-family businesses, family-owned enterprises prioritize people, think long-term, and foster a feeling of stewardship among their employees. The

researchers also found that putting the family's principles in paper in a constitution had a significant impact.

Josep Tapies and Maria Fernandez (2010) Thanks to this research report, the researchers have proven that family values are associated with the lifespan of family businesses. In this way, values serve as both a foundation for the future and a competitive advantage. This study makes use of cross-cultural analysis, namely the comparison and contrast of samples taken in Finland, France, Italy, and Spain. The researchers have noted that there is a lot of talk about family business principles in the literature, but not always much proof to back it up. There are a total of four parts to the study article. In particular, the research framework, the technique employed in empirical research, the key results, which may include a cross-cultural analysis, and finally, the article's main conclusion and recommendations for further study. What values have a greater impact on the lifetime of family businesses? How does value transfer from one generation to another? And can longevity benefit family businesses? These are some of the questions that the researchers have addressed. Although the researchers have made an honest effort to define values, they have also acknowledged that neither values nor corporate values can be agreed upon by everyone. The importance of values in business and in business families has been considered by the scholars. Data for the research came from nearly 3,000 big family businesses with sales of more than 50 million dollars. An inductive approach is used for the analysis. Family companies with a minimum age of 200 years were surveyed in Finland, Spain, France, and Italy. The data collecting tool employed was the structured interview. There were three types of questions. This is the initial step in compiling a set of values. The second part dealt with passing on important information to future generations. In the third section, we discussed the value of lifespan. Researchers compare family business values in Spain, Italy, France, and the Kohranen article using the data they gathered. After looking at the effects of honesty, hard effort, and quality on lifespan, the results are crystal apparent. According to the Italian and French respondents, such values are crucial to the success of their organization. Using this as a starting point, the researchers categorize values according to their impact on family unity, a company's long-term viability, and the capacity to pass on fundamental principles. The researchers shared their thoughts on passing values down through the generations based on the studies they conducted. Thus, people of

subsequent generations in a family learn about values via seeing and listening to those who have gone before them, as well as by practicing what they preach. Through discussions and examples. Visually and aurally. According to the experts, it will still be helpful to formalize the values in the paper. A "family constitution" or "family protocol" that all family members sign is one example of such a document. Grandparents' handwritten letter to their grandkids, who have inherited their principles and lived by them. The following generation will look up to these grandparents as role models since they have lived their lives according to these principles. The study's author concluded that longevity had a favorable effect on brand development. A sense of dedication, trust, and the brand's heritage are all bolstered by its durability.

Dietmar Roessl, Matthias Fink, Sascha Kraus (2010) In order to better comprehend the function of innovations in family businesses, the researchers are carrying out this study. The topic is supposedly very relevant, according to the researchers. Their focus is on the conceptualization of a family business. Sole proprietorships, partnerships, and public corporations are all defined differently from family enterprises. Innovativeness is also defined by the researchers. Outline the features of a novel idea. In family businesses, new ways of making decisions are carefully considered.

Anita Zehrer and Julia Haslwanter (2010) The authors of this study have detailed their findings on the topic of change management in the tourist industry as it pertains to small and medium-sized businesses run by families. Both the benefits and drawbacks of family businesses are considered by the researchers. There is little room for diversification or economies of scale, and there is also a high debt to capital ratio, inadequate market knowledge, and difficulty accessing the capital market. The study concludes that family-owned small and medium-sized enterprises (SMEs) face uncertain times due to these causes. The researchers also maintain that the theories promoted by management studies have ignored the "family" element that is integral to the day-to-day operations of SMEs. Neither a widely agreed upon definition nor a universally acknowledged meaning of the term "family business" exists. Two distinct systems engaged in family businesses were also examined by the researchers. Potentially at odds with one another are the family system and the corporate system. Consequently, the family system and the corporate system are distinct in their goals

and motivations. A company's life cycle includes succession, according to the academics. So, it's important to think forward and make plans for the future. Based on their findings, the researchers recommend implementing the succession plan early on in a company's life cycle for maximum effectiveness and profitability. Although the study article makes a commendable effort to tackle the problem of succession planning in family-owned business organizations, it does so within the confines of its limits. One potential issue is that the research relies on a limited number of sample sizes. Because of this, we can't draw any broad judgments.

Mita Dixit (2009) The thesis paints a clear picture of the interconnected nature of family and business. The goals of this research project are to examine the demographics and traits of family businesses, the types of family businesses that have undergone intense conflict and split, and the types of family businesses that have never gone through a split. Multiple facets of family-owned businesses have been investigated by the researcher. The following are some of the aspects of the research that will be covered: differentiating between family businesses that have split up and those that have not, determining the root causes of conflict, studying its effects, and evaluating the various forms of conflict. As the owner oversees two types of family businesses, it analyzes the sources of conflict that arise. The first group consists of those who have gone through a tumultuous breakup in their family firm. Second, there are those families that have never had a breakup but have had disagreements. The research divides the potential reasons for disagreements and traits of family businesses into seven categories, each of which affects the likelihood of a split in the family business either favorably or unfavorably. Only the Indian subcontinent is covered by this empirical investigation. Exploratory research has provided the researcher with qualitative data. In order to gauge the level of conflict and foretell the likelihood of a family business breakup, the researcher has developed a conflict-impact mode. A approach was used by the researcher to undertake comprehensive literature studies on the issue. Further analysis and validation will be based on the results of exploratory case-based research into the causes of conflict and the features of family businesses, as well as on a conceptual framework relevant to the three dynamics of family businesses and ownership succession. "Not only the business but family aspect is also equally important," the study notes. A wide range of academic disciplines have contributed to the family business's body of knowledge and body of

research. In this research, we concentrate on the phenomenon of family businesses. Economists first proposed the idea of entrepreneurship as a field of study because of the important role entrepreneurs play in driving innovation and economic progress. Looking back at the research on entrepreneurship can teach us a thing or two about how to study family businesses in the future. For situations requiring an in-depth examination of the relevant literature and comparison of various researchers' definitions. The researcher has compiled 23 definitions from various sources for further examination. The study's variables have been carefully selected by the researcher. Considered to be the most natural variable include the ownership structure, the number of family members actively working in the firm, and the presence of family members throughout generations. Contributions of family businesses are taken into consideration by the researcher. Every free market economy that promotes entrepreneurial endeavors has family companies at the forefront of both the economic and social spheres. Data about the family business and how they live their lives efficiently. Two and three-circular definitions of family-owned firm have also been mentioned by the researcher. Overview of family business strategies, resource-based views of strategic advantages, competitive advantage of family business, family governance, institutional theory of family business, family and business system parallel planning, etc. Conflict was also the subject of a comprehensive literature study conducted by the researcher. Conflict models include several sorts of interpersonal, organizational, societal, task, and relational conflicts, as well as various types of conflict and their definitions. Conflict management, its dimensions, family business disputes, the impacts of family business conflicts, and the causes of family business conflicts have all been investigated by the researcher. The researcher has provided a narrative about the evolution of family businesses in India, both before and after independence, as well as their impact on the country's economy. The mid-1990s saw the beginning of public recognition of family businesses as significant players in India's economy. During this time, prominent business publications estimated the contributions of family businesses, even though there was a lack of evidence from academic studies. Sixty-six out of one hundred mega Indian firms were operated by families. According to the researcher, there are a lot of socio-cultural factors at play, and studies have shown that family bonds are quite important as a kind of social capital. Cooperation and trust within a family unit are the building blocks of family wealth. The absence of strong family governance procedures is the

fundamental cause of family feuds in firms that are owned by relatives. The researcher also takes into consideration the good and bad consequences of fighting. The challenges faced by family businesses are multifaceted and not fully covered by traditional theories of management. Although disagreement is common in family businesses, the persons involved often choose not to talk about it, particularly with outside parties, according to the study. In order to choose a representative sample, the researcher has established criteria. A multi-generational family firm is ideal, with each member holding an interest equal to or higher than 10% of the voting shares and 20% of the managerial positions. The last criterion for selecting a sample is that the family company must be at least 10 years old and have at least three people involved in the firm. Publicly available information about the ownership structure of firms in India is lacking. Because of this, the researcher has decided to use the Snowball Sampling technique. 500 surveys were issued by email. A total of 124 participants filled out the survey. There was a 34% effective response rate. A combination of factor analysis and discriminant analysis was used to conduct the analysis. Each family was randomly assigned to either a split or non-split category. Important features of Indian family businesses might be uncovered by the researcher. Also, the conflict-impact model was discovered by the researcher.

Leone C. Cameron (2008) The consequences of recruiting on small firms as a whole and recruitment in particular have been the subject of the researcher's investigation. Employment and tourism in regional centers, as well as development or decrease in small company employment in regional areas, have been noted by the researcher as examples of regional variety. A new model has been offered by the researcher, who also offers their thoughts on the necessity for a relationship framework and relationship marketing as well as recruiting, selection, and retention. Poor hiring practices can have a hefty price tag, as the study notes. The study also contrasts the hiring processes of large corporations with those of small businesses. Finding better ways to find, evaluate, and keep staff is what this study is all about. One of the goals of this study was to document the present recruiting practices of small family companies operating in regional and rural areas of Australia. The goals of this research are to (1) determine the impact of geography on recruiting, (2) determine if there are any underlying components to recruitment, and (3) provide a model and checklist to help small company owners run their operations more efficiently. The

study's technique was a hybrid of qualitative and quantitative approaches. There is an exploratory quality to the research. The researcher has reviewed a large body of literature. Three hundred questionnaires were sent by mail and five hundred were handed out by hand by the researcher. The response rate for hand-delivered surveys is higher. A judgmental and purposive sample strategy based on "who will provide the required information" criterion is used for the sampling process. Ethical considerations have been adequately addressed by the researcher. In family-owned small enterprises, connections have a big role in hiring, selection, and retention, according to the researcher's model. From the qualitative data, we were able to extract four main relationship constructs related to the strategies employed by small family business owners and managers when it comes to human resources (HR) practices like recruiting. This led the researcher to suggest an RRR model that would build on top of the relationship marketing model. The researcher has suggested four stages in this approach. In particular, there is an orientation phase, a period for building connections, a phase for developing trust based on the moral and legal components of partnerships, and a final phase for developing trust. The study's author draws the conclusion that, among small company recruitment strategies, "word of mouth" ranks highest. Additionally, the researcher has included a relationship, recruitment, and retention (RRR) checklist.

Jan de Kok, Roy Thurik, Lorraine Uhlaner (2004) Two hypotheses are the center of a research article. First, there is the resource-based paradigm; second, there is agency theory. Thus, the agency theory is concerned with the relationship between a company's principals (the owners) and agents (the managers). So, in order to cut expenses and increase profits, family businesses may employ less conventional HRM methods. However, in many cases, family members might not do well. Different HRM methods could be explained by differences in family ownership and management. A perspective of the company based on its resources is the counterargument. Human Resource Management is less common on the Fobs. The premise upon which the resource-based perspective rests is that basic variability in productive potential results from variations in physical organization and human resources among enterprises. Professional HRM practices are inversely related to the size of a company. There is a high development cost associated with most HRM approaches. A more casual attitude, according to some academics, is better for smaller

businesses. On the other hand, others contend that insufficient planning and funding are to blame for the low adoption of HRM best practices. Any training beyond what is required to do one's immediate work is considered a luxury by small businesses and is only afforded when the company makes a lot of money. Analysis of specialization, formalization, and professional human resource management methods is also provided by the researchers. Businesses with greater resources, information density, networks, and managerial expertise are more likely to export, according to the researchers' narratives on export strategies and professional HRM practices. Acquiring and managing foreign market knowledge, company size, enterprise, and technological intensity are strong predictors of the export strategy, which in turn determines the export performance of SMEs. Due to resource limitations, a lack of a specialized HRM department or staff, less formal planning, and no export strategy, the researchers have proposed that family ownership and management of small and medium-sized enterprises (SMEs) may be negatively correlated with professional human resource management practices. In order to gather information, the researchers sent out structured questionnaires to 4,000 CEOs in the Netherlands and Australia. There were 736 responders. The percentage of response was 18%. A three-stage process was employed to develop the professional HRM practices scale for the purpose of analysis. Using principal component analysis, we conducted separate factor analysis. The researchers have made an honest effort to carry out high-quality research by using an appropriate sample size and drawing appropriate conclusions.

Utpal Bhattacharya and B. Ravikumar (2001) This study details the researchers' findings on the connection between family businesses' development and the capital market. The researchers take the background and impact of family-run businesses into consideration. In order to expand on a grand scale, a family-run firm must tap into the finance market. In order to study the effects of the main capital market's evolution on family businesses' evolution and sale, the researchers have created a dynamic model. Who should pay private or public money to buy out a family business? That's the main question asked in the literature. Control vs. financial flow is a choice the owner must make. When running a family business, owners must also choose who to sell to and when. The study report shed light on the development of family businesses, which are passed down from generation to generation either via continuing the firm or through the sale of the business. According to the study, the growth of the main

capital market in which a family business works determines how the business will change over time. Family businesses sometimes rely on cash generated internally to support their development and evolution, especially in cases where the primary financial market is quite rudimentary. The most important takeaway is that when a family business expands, the returns start to dwindle and the only real choice is to cash out, which makes conserving money in interest-bearing accounts all the more appealing. When outside funding is unavailable, the researchers offer their findings on how family businesses have changed through time. Companies within the same family that operate in multiple capital markets, variations in capital elasticities, and the likelihood of company death in the presence of external funding. Family and rental capital under external finance. The development of an existing family firm in the face of access to outside capital. The researchers have shown that in the absence of external financing, the sole element influencing the sale of a family firm is the "offer price." In this scenario, all growth is funded internally. To start, the profits retention ratio is greater in bigger family businesses. Second, family businesses have an increasing earning retention ratio when looking at time series. The third prediction is that, compared to labor-intensive family businesses, capital-intensive ones are more robust and remain in business for a longer period of time after sale. An organization's offer price is inversely related to its size and tenure as a family business. So, academics have provided a clear explanation of how the capital market has influenced the development of family-owned businesses. Nevertheless, in a nation such as India, there are regions with accessible capital markets and regions without.

Ganeshan This is the foundation upon which the study of family conflict resolution must rest. Topics covered by Mr. P. C. Ganeshan's narratives include long-term family planning, marital strife, career uncertainty, motherhood obligations, aging gracefully, interpersonal strife, and spiritual development within the family.

Dr. Ritu Bhattacharya (2000) In thesis submitted the researcher has studied and presented various aspects of succession process in family-owned medium sized business. The research methodology adopted for this project is based on structured interviews and sample size is 56 family 1businesses, mainly from the area of Maharashtra, West Bengal and Delhi. The researchers has studied various issues in family-owned businesses such as meaning of succession, choosing a successor, phases

of succession, implementation of succession plan, transfer of management, role of women in Fobs, „family side" of family business the inheritor, role of stakeholders such as CEOs, Employees, other family members, inclusion of non-family members as a employees and on board, importance of key executives, definition of success, governance, sharing of vision passing a business to next generation without split. Relationships with spouse, children, role of brothers, sisters, parents, father and mother, sibling rivalry, lack of succession planning, and lastly study of future Fobs in India. In this regard the researcher has collected the data with the help of questionnaires. The researcher prepared 09 questionnaires for different stakeholders. The researcher has also narrated the intricacies involved in retirement planning and process. Thus, the researcher has successfully discussed various aspects of succession planning and process. The criteria for sample selection were: the sample business should be in third generation, and should have minimum turnover above Rs. 500 crores.

Ouentin J. Fleming (2000) Beginning with the fundamentals of family managed business and moving on to topics such as family systems and business systems, family forces driving business forces, the impact of training children in the family on business succession, family roles, relationships, and communication, challenges with succession in entrepreneurial families, the concept of evolutionary vs. revolutionary succession, the dangers of postponing succession planning, spouse contributions to the family and business, divorce conditions affecting successions, complications arising from multiple marriages and partners, and much more, this book covers it all. The author provides realistic suggestions for dealing with family baggage in this book. Some of these answers include forming a council of advisers, building a strong team to manage the firm, learning the necessary skills to operate the company, and engaging in critical analysis.

Marilyn Carroll, Mick Marchington, Jill Earnshaw Stephen Taylor (1999) The case study technique is employed by the researchers. For tiny businesses that don't adhere to the established hiring guidelines, the researchers have you covered. They rely on referrals and word of mouth to fill open positions. The "fit in" principle is used by small family businesses when hiring new employees. The researchers have looked at five different kinds of businesses' hiring processes. In particular, the

following industries: lodging, food service, transportation, healthcare, printing, and legal services. If small businesses follow the first four steps outlined in HR literature when hiring new employees, the researchers have found no evidence that this is the case. When they analyze small businesses, the researchers take family ownership and management into consideration. And also consider the “fit in” concept in the recruitment process. The researchers maintain that „flexibility is the main consideration due to which small firms don‟t provide job description at the time of recruitment. The researchers account for findings from case studies. Accordingly, there are certain advantages of informal recruitment practices followed in small firms. Such as simple, less costly, existing channels, less paperwork and documentation, less risk, etc. Despite these advantages the researchers recommend that the small firms should adopt formal recruitment practices.

Pramodita Sharma, James T. Chirsman, Jess H Chua (1997) This article provides a literature study on family businesses. Most of the descriptive literature that the researchers have looked at has concentrated on connections inside families. The study's authors set out to identify strategic management's flaws and weaknesses. According to the experts, the majority of the studies have not approached the topic from a strategic management perspective. In place of a "list of components," the researchers have offered a "behavior" based definition of family business. Organizations, whether they are family-run or not, follow the same fundamental steps in the strategy management process. There is a distinction in the objectives. According to the experts, there are a lot of chances for family business studies because of these parallels and contrasts. A model of the strategic management process has been developed and presented by the academics. The ruling family's influence and the paramount relevance of values can distinguish family firms from non-family enterprises. For the purpose of establishing family objectives, the researchers cite Ward's (1987) three-stage model. The researchers have also foretold the sequential necessity of more investigation. Many families may not prioritize succession planning because they see their businesses more as a way to help their children get a head start in the workforce than as a way to leave a lasting legacy. According to the experts, there has to be more investigation into the aims and purposes of family businesses. Differential goal-setting in family-owned vs non-family-owned businesses. Studying the effects of objectives and strategies on social responsibility, social responsiveness,

and other economic metrics; the process of formulating and contenting strategies; the influence of family owners' value systems on strategies; and the relationship between strategies and social concerns. The experts have noted that the real changeover in leadership happens at least once every ten years. It happens quite infrequently in family businesses.

John Ward (1988) In this study article, the author presents the results of three separate investigations. Two hundred independently held companies were polled during the initial study. These companies were chosen at random from the Illinois Manufacturers Directory; they had been in operation for at least five years and had twenty or more employees in 1924. In 1984, researchers interviewed remaining businesses to learn about their strategy, patterns of leadership succession, and family ownership. Second, we looked at the strategic profiles of two types of family businesses: those that were privately held and 300 that were publicly held but not controlled by the families. Twenty family businesses were the subjects of a third study that evaluated the efficacy of a strategic planning framework. This study delves into the function of strategic planning in family businesses by drawing on these studies. The result is that most family businesses don't make it past the first generation. The family company can be fortified and its lifespan prolonged through corporate and family strategic planning. According to the study, family difficulties in decision-making and thinking make Fob's strategic planning different from other sorts of firms. A family business may not be as active strategically due to internal family concerns. There are a number of explanations given by the researcher. There are many challenges that small businesses face, including a lack of resources and manpower, sibling rivalry, financial concerns, retirement, divorce, the temptation to hoard profits instead of reinvesting them, and a lack of a clear framework for evaluating and planning the company's future. The researcher has provided case studies of family firms that have implemented effective strategies. Alterations to family dynamics have led to fresh approaches to strategic planning. Four questions can be addressed through strategic planning: the family's dedication to carrying on the business, their vision for the future of the company and themselves, their approach to forming and maintaining relationships, and the precise measures needed to achieve their personal and professional goals. Strategic planning for families and businesses should occur at the same time, according to the study. A six-step approach for strategic planning has been

laid forth by the researcher. The following points must be considered: (1) the family's dedication to the business in the future; (2) the state of the business; (3) potential business options; (4) the family's and individuals' objectives; (5) the strategy to be implemented; and (6) the family's interests and talents. The study also details Fobs's notable advantages and disadvantages. Fobs can provide fast replies due to their little size. In contrast, family businesses sometimes may not have any outside shareholders to answer to when it comes to quarterly sales and profitability; instead, they rely on internal metrics rather than the stock market. Due to management naivete, a lack of focus on cost-cutting strategies, and restricted access to substantial capital, small enterprises face significant challenges. Emotional engagement in family members is necessary, according to the researcher's final observations. The benefits of family business continuity may be seen in the results of company and family strategic planning. Family businesses rely on long-term succession plans, but that's not all they rely on. Carrying on a family company from one generation to the next is no easy feat. Family enterprises are particularly vulnerable to the effects of market pressures, competition, family demographics, and other external environmental variables. External variables that might cause firms to fail in the future generation have not been taken into account by the researcher. Independent entities, every family firm stands on its own.

Paulena Nickell, Jean Muir Dorsey, Marie Budolfson (1950) The writers have delivered their opinions on the application of management ideas to family life in this book in a clear and concise manner. When it comes to taming the mayhem in the home, these descriptions are invaluable. Separated into five sections, the book delves into many facets of family life management. When it comes to making decisions, the writers go over the philosophies, values, duties, and obligations. Issues with time and energy management in homemaking are narrated. Management of family assets, savings, investments, and estates are among the other topics covered by the writers. If you want to keep your family's affairs in order, this book is a great resource. It gives the company the direction it needs to function well, which in turn helps with family matters and business.

2.3 RESEARCH GAP

aamily companies may be one of the first types of human activity to exist. Lodi defines a family business (FB) as one in which the management succession process is tied to the hereditary component and where the company's institutional values are defined by the surname or figure of the founder. A FB is not well understood, and the majority of people assume that it is a company that was started by one or more individuals, and where the majority of the company's family members work. There are already investigations of this sort of business in progress. Their image has not always been a positive one. To yet, scholars have not reached agreement on a common definition of performance. Because of this, there seems to be no agreement on the meaning of Family Business (FB). There was a lack of clarity and consistency surrounding the concept of family business (FB) and its determinants, so the researcher took this study.

2.4 CONCEPTUAL FRAMEWORK

ELABORATION OF MODEL

The model which has been designed shows four major latent variables:

a) **Emotional influence**

- It's a state in which emotions have a compelling impact on the choices you make. Although emotions are a fundamental component of human conduct, the findings of this research show that rational considerations should take precedence when choosing a successor. The consequence of emotional influence is the rationale for choosing a family member over a person who is not a member of the family. Emotions have a direct influence on both conscious and unconscious states of perception as well as the senses, which in turn has an effect on decision-making. Emotional influence on its own cannot be relied upon as a reliable determinant in decision-making, despite the fact that, when other considerations are taken into account, it has a favourable effect. An excessive amount of emotional impact has the potential to stifle a company's expansion and success.

- Emotions are the intense emotions that arise as a direct result of one's unique set of circumstances and experiences. These components are included in an individual's psychology as well as their temperament. Sensitivity, rather than rationality, serves as the primary foundation for them.
- Values are the collection of beliefs and presumptions that a person develops as a result of their prior experiences. The value system is promoted by powerful emotions, which further affect an individual's opinion about what is essential in life and have an effect on the choices that are made.
- Bias: Biases are the inclinations or biases that lead in favour or against a person. Although bias is often thought to be an unjust manner of making judgments, it was unexpectedly prevalent in Indian FOBs. This was further shown by the fact that they were adamant about include family members in the operation of the company.
- Owners' commitment is the condition of being strongly engaged with the activity that is being carried out. Because the proprietor founded the company with a goal and an aspiration in mind, he has the most financial interest in the enterprise. As a result, he is under the most pressure to fill open positions with suitable candidates. As a result, the person now holding the position always has a greater power than other people on the selection of successors.
- Psychological influence: it is a psychologically experienced phenomenon in which an individual develops possessive feelings for the target that go beyond the formal extent of the task, creating a sense of ownership that is driven by feelings and emotions. It is a psychologically experienced phenomenon in which an individual develops possessive feelings for the target that goes beyond the formal extent of the task.
- The investment of the owners: Because of the effort that the owner has put into developing and establishing the company, he wants to ensure that the firm is in good hands with the suitable successor so that he can maximise his return on investment.
- Attachment is defined as a heightened sensation of emotional ties or liking for a person, place, or object. When a family owns a business (FOB), both the owner and the family tend to experience an increased sense of attachment to

the company, and as a result, they have a greater propensity to make choices that are consistent with their sentiments.

Family Involvement:

As a direct consequence of the fact that the study was limited only to family businesses, the family as an organisational unit serves as the major focus point of the examination. Every single family is a one-of-a-kind organisation that adheres to its very own ideals, ideas, and philosophies in everyday life. As a consequence of this, even though different families are responsible for the management of each family business, there is no similarity whatsoever between any two family enterprises. Nevertheless, the involvement and interference of the family is an element that is present in each and every one of these scenarios. Family businesses constantly function within not one but two distinct ecosystems: that of the family and that of the wider economic world. A firm is a line of activities with an economic aim, while a family is a group of persons who are descendants of a common ancestor. In a nutshell, a family may be defined as a collection of individuals who share a common ancestor. Both of these ecosystems are prone to coming into conflict with one another on occasion, engaging in violent collisions with one another, and ultimately coalescing into family businesses. As a consequence of this, it is unavoidable that the family will have some input on the decisions that need to be taken inside the organisation.

- Family commitment: FOBs are propelled by a robust sense of devotion on the part of the family that is operating the company, and because of the high level of engagement, this develops a high level of commitment, which further leads to ownership of bringing in the proper individual to serve as the leader.
- Involvement: Because family members often have a lot riding on the outcomes of board decisions in FOBs, the remarkable amount of engagement they have in decision-making is a direct result of the rights they have.
- Interference of family members: Due to the fact that they are members of the family that runs the company, these individuals automatically begin to exert influence on business decisions. Its development might be stunted by persistent meddling in decision-making, thus the amount of involvement from family members should be kept to a minimum.

- Climate: It is a term used to describe a certain pattern that can be seen concurrently in the majority of FOBs. In most cases, family companies are reflective of broader cultural shifts. If one company tried out a procedure, several others quickly followed suit and implemented the identical changes.
- Participation in decisions: It is a representation of the degree to which the family is involved in the company. Family participation is highly valued in FOBs, but whether that participation takes place at the dinner table or in boardrooms may make a big impact. The frequency of meetings that have a direct impact on the decision-making process of the company is one indicator of the level of engagement of the family in the business.
- Rationality: A few of the FOBs exhibited the tendency of being rational (that is, devoid of emotional attachments), but the percentage was quite low. Rationality is the logical framework for decision-making that takes into account the most relevant information and experiences of all parties involved.
- Sensitivity: The majority of the time, it is a prompt reaction to change. When it comes to FOBs in India, particularly with regard to the automotive-components business, the level of sensitivity is much greater. They have an unusually high level of reactivity to changes in policy, strikes, unionisation, and interference from external influences, to mention a few examples. This shift in reaction also alters the internal dynamics and choices made by companies.

b) Extent of formal Succession Planning

The degree to which a formal succession plan is developed and put into action inside the company is referred to as the extent of formal Succession Planning. It is the orientation of the system that is used for Succession Planning in FOBs. It is clear from the qualitative data that not many small and medium-sized enterprises are amenable to planning CEO succession in FOBs; yet, the quantitative data have shown that formal processes and policies are fundamentally sought by all organisations regardless of their size. The following is a list of its many underlying components:

- Formal procedures: The vast majority of SMEs struggle when it comes to putting policy into reality. A formal policy is a structure that defines the criteria for selecting candidates, as well as their potential for advancement,

positions, and responsibilities. Even if the applicant works for the company already or is a member of the family, he or she is still responsible for addressing any concerns. Additionally, it contributes to the formation of a foundation for subsequent expansion.

- Explicit criteria: When developing their policies, organisations are required to define their criteria, which must be declared to all members of the organisation. Documentation is still required for the post, even if it is merely for a member of the same family. A reliable system fosters increased levels of trust among its participants.
- Attention to potential: After the possible successor has been identified, it is imperative that he or she get proper instruction, grooming, and attention to detail. If the replacement continues to uphold the same values, ethos, and culture of the company, then there is a good chance that people will embrace their leadership. In addition to this, when culture works its way down from the top, there is an alignment with both the past and the present, which results in a positive reaction from the many stakeholders.
- Consensus: Plans for succession provide a comprehensive view on the interplay between two ecosystems: the family and the company. The only method that can successfully bring both parties together in a productive way is consensus. There is a consensus among the members of the board that all of their goals and activities should be aligned.
- Ownership: SMEs need to realise that the goal of any firm is to get larger and more successful. Each company has a growth strategy that prioritises profit, industry rivalry, long-term viability, and public favour. Therefore, whatever strategy ends up being developed ought to be in the best interest of the company as a whole. Those in charge of formulating policies are obligated to take complete ownership of the process while also passing it on to their successors.
- Clarity of role and responsibility: The implementation of formal Succession Planning will make it possible to have role clarity, which is a necessary component for role effectiveness. Not only will an efficient succession plan explain the method, but it will also establish an understanding regarding focus positions and the duties that come along with them.

- Strategy: Succession Planning has to be in agreement with the overarching strategic objectives of the company. The majority of first-person accounts written in India are motivated by emotions, leaving reason and reasoning on the back burner. As a result, a strategy is the blueprint for how to stay alive and guarantee that all of the operations are in line with the strategic aim or goals.
- Transfer: SP stands for "successor preparation," which refers to the process of passing on one person's roles and obligations to another. The authority, ownership, control, and management must all be transferred in a manner that is consistent with the level of formal SP.

c) Personality

It refers to a collection of traits that, throughout the course of one's lifetime, have an effect on the choices that person makes. There are a great number of theories on personality, all of which demonstrate that an individual's actions and behaviours are influenced by the sort of personality that they have. In keeping with this, the personality of an incumbent is an essential and significant component in Succession Planning. It's possible that his qualities and attributes will have a role in who gets chosen. It is also possible for it to lead to a number of mistakes, such as the "similar-to-me error." In the past, it was observed that once an unsuitable applicant was placed in a key position, a succession of unsuitable candidates or incorrect judgments would follow in its wake. However, there is still a possibility of mistakes occurring despite mitigating circumstances such as the existence of extensive formal policies and the participation of families. Because the SP has such a significant impact on the incumbent, it is critical to determine the components that contribute to personality.

- Minimizes risk: In most cases, the incumbent is interested in hiring a person who has a powerful personality, that is, an individual who is able to persuade stakeholders and reduce risk.
- Balanced: When it comes to CEO succession, having a balanced profile is always an extra benefit. Important characteristics of a well-balanced persona include a rational emotional framework, a high level of people ability, and robust decision-making abilities.
- Willingness and interest: The vast majority of the research on personality traits associated to SP focuses on the successor's willingness and interest rather than

the predecessor's. Before taking on the duty of running a company, one must first have the internal motivation to learn about and manage the company. In addition, it has been shown over and again that candidates who have high levels of intrinsic motivation are superior than those who do not.

- Trust: The selection process should be guided by a significant amount of trust or confidence in the potential successor. Even if someone is skilled, having the trust of the incumbent and the board members may make all the difference. In point of fact, the trust element plays a significant role in the selection of a successor. This is particularly true in family enterprises, where the emotional inclination of the mind is great.
- Sibling rivalry: During the process of gathering data, it became apparent in a few instances that the selection of a successor from within the family did produce a contentious environment. Numerous examples from Indian SP have shown that people are sensitive toward the aforementioned topics. The principle of equity is prevalent, and people have a propensity to compare their own inputs and outputs to those of other people. This comparison is based on the idea that equity should be achieved.
- Confidence: There are situations when the incumbent benefits positively from the confidence of the person who will succeed them. A strong conviction that works to one's advantage can only be reflected by someone who has a high level of self-esteem and confidence.
- Desire: Both the candidate and the incumbent's wishes have an effect on their needs, which in turn have an effect on their motivations, which ultimately lead to the acts that satisfy the desire. The aspiration to achieve success is a powerful one; nevertheless, in order for it to be successful, it must be supported by substantial amounts of information, expertise, and personality.

2.5 HYPOTHESIS

- H1: There is an association between the emotional influence and selection of successor in family-owned business.
- H2: There is an association between family involvement and selection of successor in family owned business.
- H3: There is an association between extent of formal succession planning and selection of a successor in Indian family-owned business.
- H4: There exists an association between personality of incumbent and selection of a successor in Indian family-owned business.

CHAPTER – 3

RESEARCH METHODOLOGY

3.1 RESEARCH TYPE

This body of work in research is capable of being divided into two primary categories: qualitative and quantitative. To put it another way, quantitative research necessitates the measurement of the variables that are being considered. This kind of study was focused with the frequency with which a variable was present, and in general, numbers were used to convey the quantity of occurrences of the variable. It enables reporting findings with a better degree of accuracy. A occurrence or event that may be quantified and used in the process of the formation of constructs is referred to as a variable. The data was backed up by numerical evidence, which validated the following findings.

On the other hand, qualitative research is when a phenomena is described or analysed without the explicit measurement of variables. In qualitative research, there was no statistical analysis performed, although the findings might be presented statistically if necessary. The data was carefully watched and gathered in the form of conversations, statements, and transcripts. While the data may not be able to be transformed into figures, the amount of information obtained is substantial enough to make conclusions and come to a decision. It was most often utilised in the social sciences, where the findings may not be produced by statistical process but were considered to be more genuine owing to the aspect that there was less room for manipulation. Research conducted in this manner generates data that are more descriptive since they are based on people's own words, whether spoken or written, or on their behaviour as seen. Quantitative and qualitative approaches were used in the design of the study, and conclusions were made from both sets of data. As a consequence of this, or to put it another way, the research used meta inferences. The investigation makes use of information obtained from primary as well as secondary sources. Interviews were used to gather the data, and based on the results of those interviews, additional questionnaires were produced to establish a model that suited the many aspects that impact succession planning. The literature review served as the foundation for the

construction of the hypothesis, which was then specified in terms of the dependent and independent variables in the study

Both a causal and an exploratory approach were used in the research. According to Robson (2002), an exploratory research is one that is conducted in order to discover "what was occurring," to seek new ideas, to ask questions, and to evaluate occurrences in a new light. This definition was provided by the author. On the flip side, a causal study is one in which the researcher investigates a scenario and, using the information gathered, attempts to determine whether or not there is a connection between the various aspects of the scenario. However, the purpose of this study was to determine the impact of four major factors on succession planning. These factors were the emotional influence, the involvement of family members, the extent of succession planning, and the personality of the incumbent. This research was conducted with the intention of determining the impact of these factors on the selection of a successor for a family-owned business. As a result, a strategy that incorporates elements of both was chosen to finish the research.

3.2 RESEARCH PROCESS

A study such as this one may be carried out through a variety of research methods, such as the inductive method, the deductive method, or even a hybrid method that combines the two of these methods. The deductive method begins with a test of the theory, moves on to the construction of the hypothesis or prepositions, and then evaluates the consistency of those elements. On the other hand, the inductive method was a component of the positive philosophy and adopts a scientific perspective when looking at the world. It requires the formulation of a hypothesis that was then put through a battery of rigorous examinations. Following a review of the theory, this research study moves on to the collecting of primary data and then moves on to the creation of models. It does so using a mix of the deductive and inductive research methodologies. The research begins with the identification of a problem, then moves on to the application of theories, and finally concludes with the collecting of data. Despite this, the study takes a more logical approach to its methodology. After that, the gathered information was put to use in the formation of a model.

3.3 SAMPLE DESIGN

SME Automotive Component Businesses in Delhi and the National Capital Region That Are Family-Owned The population consisted of SMEs in the Indian automotive component industry. because this sector of India's economy was both broad and extremely fragmented to begin with. There are around 400 big enterprises that are a member of the organised sector and cater mostly to original equipment manufacturers, according to estimates provided by the Department of Heavy Industries of the Government of India (OEMs). In the unorganised sector, which functions using a tier-based structure, there are an additional 10,000 enterprises. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 was enacted by the government of India. According to its terms, the definition of micro, small, and medium enterprises was as follows: (a) Enterprises engaged in the manufacture or production, processing, or preservation of goods. (b) Enterprises engaged in the provision or rendering of services. However, in order to accomplish the aforementioned goal, only category (a) may be considered, and as a result, the following should be observed:

(i) An enterprise was considered a micro enterprise if the total investment in plant and machinery was less than Rs. 25 lakh;

(ii) an enterprise was considered a small enterprise if the total investment in plant and machinery was between Rs. 25 lakh and Rs. 5 crore; and

(iii) an enterprise was considered a medium enterprise if the total investment in plant and machinery was between Rs. 5 crore and Rs. 10 crore..

3.3.1 SAMPLE SIZE

The size of the sample used in this investigation was determined by using the Thorndike formula in the following manner:

$N \geq 10(k) + 50$ (where N was sample size, k was the number of independent variables).

This study has 4 independent variables. So, the sample size would be

$N = 10 X 4 + 50$

$N = 40 + 50 = 90$

Therefore, the sample size should be at least 90 participants.

Sample: 112 SMEs, 15 for phase one and 97 for phase two.

CHAPTER 4

DATA COLLECTION

4.1 DATA COLLECTION PROCESS

This research solely takes information from firms that are owned and operated by families. It was only available in the areas of Delhi and the National Capital Region. The data was gathered twice: the first time, when the model was being developed, it was subjected to qualitative analysis, and the second time, when the hypothesis was being tested and the model was being proven, quantitative analysis was performed. There were a total of 112 respondents, with 15 participating in the first stage and 97 participating in the second stage. Interviews were used for the first stage, while questionnaires were used for the second stage.

4.1.1 Rationale for Qualitative design

It was generally agreed upon that the qualitative methodology that was used for this investigation was especially well suited for the investigation of unexplored areas of inquiry. In addition, the qualitative methodology has been used in a significant number of SPM investigations on several occasions. When studying Succession Planning, it is possible to construct a more complete picture by using a variety of research methodologies. The majority of research on succession has been conducted using archival data sources and methods of analysis that are very quantitative. The researchers that carried out this study hypothesised that the qualitative method, as opposed to the quantitative one, would be more suitable for answering certain queries. As a result, qualitative methods have been used in order to investigate the subject matter and the frame references in the process of constructing a model.

4.1.2 Objective of Qualitative Analysis

One of the main aims of the research was to examine the, in compliance with the study objectives that were provided in chapter 1 pattern and practices of Succession Planning in India's FOBs. The field of inquiry was highly sensitive and secret to FOBs in India; as a result, there was very little documentation of it; hence, quantitative analysis would have been improper. As a result, the qualitative technique was adopted. In addition, it

will provide additional context for the findings and may be used to a more in-depth analysis of Succession Planning. Face-to-face interviews that were guided by a predetermined set of questions were used to compile the material. The method of sampling was a purposeful selection. The data came from fifteen directors, managing directors, and chief executive officers of SMEs. The remainder of the sample was comprised of medium-sized businesses, while fifty percent of the entire sample came from small businesses. The majority of respondents coming for medium-sized enterprises, the majority of respondents were in the first generation of succession, but for small-sized businesses, it was the second. The manufacturing facilities of automobile components located in Delhi and India's National Capital Region (NCR) are now included in the scope of the research. Triangulation was used to do further analysis on the data. When researchers use more than one approach to get at the conclusions of their study, they are engaging in the research methodology known as triangulation. The information was first classified into categories, then recorded, followed by coding, and finally confirmed. The technique of relationship analysis has been employed when using a semantic mode to locate words, texts, or replies that are comparable to one another. Coding and organising the language pieces that were supplied by each responder allowed for the creation of the semantic mode. Reason being, it was a delicate and crucial matter for the organisation, particularly the owners, very few of the responders were willing to put their thoughts down on paper in an open and honest manner. Therefore, prior to writing, the degree of the respondent's comfort was taken into consideration.

4.1.3 Primary and Secondary Sources

Primary investigation entails collecting first-hand information from members of the target population in the form of surveys or interviews. In most cases, the primary study data were meant to investigate and find out information that was not previously available in any of the previously published works. The data used in this research came from primary sources in a phased fashion at two different levels: initially, while a model was being proposed, and then again when the model was being validated. At the first level, the data were gathered via in-person interviews conducted directly with the source; at the second level, the data were gathered through the use of questionnaires. And in most of the instances, an online questionnaire was sent to

respondents after a briefing was given to them over the phone on the aim and goal of the research. This was done in order to ensure that accurate replies were obtained. Secondary data from the firm, such as their historical papers, website, magazines, and reports, were also a source of information that we used in our research. After preparing and sending out the questionnaire, it was submitted to the databases that were acquired from the Association for Noida Management (NMA), Small Industries Development Bank of India (SIDBI), and National Small Industries Corporation (NSIC).

4.1.4 RESEARCH TOOL

- **In person interview**

Interviews with 15 company owners of family-owned companies (FOBs) in India were conducted with the purpose of gaining a better understanding of the succession planning patterns and practises that are prevalent in that country. Their comments were transcribed so that we could better comprehend the use organised and given in a certain order, but they were also asked in a strategic manner one at a time. The interview lasted for a total of 60 minutes, starting at 30 minutes. Only top management, such as Managing Directors, Chairman, Owners, Board members, or HR Heads or Incumbents, provided their input for this study's data collection. In the course of the interview, both open-ended and closed-ended questions were asked.

4.2 QUESTIONNAIRE FORMAT

4.2.1 Purpose of the survey:

The purpose of this questionnaire is to gain an understanding of the influence those factors such as feelings, involvement of family members, the degree to which succession planning has been done, and the personality of the incumbent have on choosing an heir within the framework of a succession plan for family-owned businesses in India.

4.2.2 Designing of questionnaire:

The purpose of the questionnaire is to identify the significant elements that contribute to the selection of a successor, as determined on the basis of the interviews and

material that was gathered. The questionnaire is organised according to a Likert scale with five points: in sections 2, 4, and 5, the scale ranges from 1 (strongly disagree) to 5 (strongly agree), and in part 1, it goes from 1 (never) to 5 (always). The questionnaire is broken up into five main categories, each of which has its own set of questions. These were (a) business background and revenue (b) personal feelings toward the company's future leadership (c) family participation in family-run businesses (d) degree to which companies have formalized and organized succession planning (e) how the incumbent's personality plays a role in choosing their successor and (e) how the incumbent's personality plays a role in choosing their successor. Because the subject matter was very sensitive and secret, many of the FOBs were reluctant to answer the surveys and only 97 of the 123 FOBs who received them had returned them.

4.2.3 Operalisation of variables

Both independent and dependent variables were included, along with some controlled factors variables, according to the model that was built and the hypothesis that was proposed. The dependent variable was "Successor Selection," while the independent factors were "Emotional Influence," "Family Involvement," "Extent of Succession Planning," and "Personality of Incumbent." Researchers have added three control variables that they believe affect the succession process alongside the components directly related to the hypothesis. The frequency of successful transfers to the succeeding generation was hypothesized by Wong et al. (1992) to be positively correlated with the size of the firm. For this reason, we first controlled for the firm's size by looking at its investment in Plant & Machinery variable, beginning with zero and progressing all the way up to micro enterprises. This information was obtained from the Ministry of Small and Medium Enterprises. According to the findings of some research, the dynamics of successions in which the incumbent and the successor were genders were differentiated from those in which the sexes were reversed. Scientists created a gender-specific dummy variable to account for this mix. This variable has two possible values: zero indicates a succession of people of the same gender, and one indicates a succession of people of different genders. According to the findings of several researchers, the succession of leadership in family-owned enterprises is largely dependent on the board composition. Because of this, it is

essential so that the board mix may be used as a fake variable in order to comprehend the variance.

In conclusion, there is a possibility that there are systematic disparities in the reactions of the two groups of family businesses, namely the first generation and the second generation, considering the current state of succession planning. Therefore, the researcher evaluated businesses that were anticipating a succession event to take place during the next five years as well as businesses for which a succession event had taken place within the prior five years. In a nutshell, the business size, gender mix, and Board composition were the three control variables that were used throughout this investigation.

Table 4.1 displaying both the independent and dependent entities

Dependent Variable	**Independent Variable**	**Controlling variable**
Choosing a replacement in FOB	1. Emotional Influence 2. The Role of Family Members 3. The level of preparation for a successor 4. The character of the current	1. The size of the firm 2. the Distribution of Genders 3. Board mix

Collecting data from

1. 1st Generation
2. 2nd Generation
3. Micro sized business
4. Small sized Business
5. Medium sized Business

Through the use of a using the use of a standardized questionnaire, we were able to examine and evaluate the relationship between the variables. The questions in the survey range from simple yes/no questions to more complex Likert scales inquiries.

The survey was broken up into four distinct pieces, and the responses to each section were to be rated expressed using a 5-point Likert scale. A different set of rules had to be followed for the responses to the controlled variables. The gender mix (i.e., individuals of the same gender) was the first of three control variables receiving a score of 0 and the other gender receiving a score of 1. The second was the firm size, with micro size receiving a score of 0, small size receiving a score of 1, and medium size receiving a score of 2. The third was the board mix, with family members receiving a score of 0 and non-family members receiving a score of 1. The first portion was a 5-point Likert scale examination of the psychological impact. The second part of the survey focused on the involvement of family members. This part also used a 5-point Likert scale, but the questions were taken from the F-PEC Scale, which evaluates the degree to which family members have an impact on a family-owned enterprise in terms of power, experience, and culture. The third part consisted once again of a Likert-scale measuring instrument developed on the spot. Only six to eight statements are included in each segment.

Table 4.2: Construction Definition

Construct	**Definition**
1. Emotional Influence	Feelings of attachment or emotion may influence the choice of a successor.
2. Family Involvement	Determine the extent to which family membership and involvement in the firm impacts the decision-making process about succession.
3. Extent of Succession Planning	How much does the selection of a successor depend on policies and processes related to succession planning?
4. Personality	To investigate if there is a correlation between successor selection and personality attributes.

4.3 DATA ANALYSIS PROCESS

There was a two-step analysis that was followed: first, a qualitative study of the material that was gathered via face-to-face interviews; next, a content analysis of the transcript; and lastly, triangulation contributed to the growth of a model. In the second phase, the model was conceived of and validated by the use of a model-fitting questionnaire, which was then examined using a statistical instrument. Not only does this analysis demonstrate the significance of the concept, but it also highlights the interdependent ties that exist between the different elements. The procedures and outcomes of the examination were described in full.

4.3.1 QUALITATIVE DATA

- **Organizing data**

Displays of the data that were specific enough to allow viewing of the whole data set in a single spot and that were organised in a methodical manner to provide an answer to the research issue at hand were a tremendous help in conducting valid analyses. Writing down notes during interviews while sorting out topics and questions that were relevant to the study objectives, and then organising the data based on those categories was the most effective approach to organise the data.

Table 4.4 represents the comments of board members concerning the issue

Queries	Interviews	Notes
Structured plans for the future of leadership	Interviewee A: In order to succeed as a company owner, one must think forward. This means that instead of making a hasty choice at	Make preparations for the future
	last-minute, it need to be meticulously organized.	

	Interviewee B: Any company that makes it through more than one generation will eventually need to start planning ahead more effectively. One of the most important choices was who would succeed.	Be prepared for a seamless change.
	Interviewee C: Unpredictability characterized the era in which we lived, with regards to societal, commercial, political, and economic shifts. Therefore, it is possible to move proactively towards change via proper in-house planning.	Strive to lessen the impact of unknowns
	Interviewee D: Because succession planning was such a sensitive and important matter, we are still hesitant to bring it up at board meetings. In addition, our firm was rather modest and secretive.	The importance of closed planning
Favoritism for family members over non-family members when choosing a successor	Interviewee A: You know your family more than anyone else, and in the event of an emergency, they will put the organization's interests ahead of their own, unlike strangers. So, yes, it's a good method to reduce risk.	Reducing potential danger;

	Interviewee B: Given that I inherited this company from my dad, my kid will continue the tradition.	Continue the tradition
	Interviewee C: In a family company, everyone has a financial interest, so even if you'd rather work with someone outside the family, you could end up having to give in to pressure and go with a relative.	Feeling obligated to choose family members
	Interviewee D: We don't address these matters in the boardroom using the straightforward reasoning If the law of succession alone applied to members of the same family, there would be no need to add more uncertainty.	No one outside of immediate family
Affective factors in choosing a successor	Interviewee A: The two mainstays of every successful enterprise, family and commerce, were brought together in a family firm. As a result, striking a balance between the two is essential. Therefore, the choice of successor was a result of feelings. Interviewee B: Because family members have the	Emotions influence

	most invested financial and emotional capital in any family company, it's crucial to be flexible and understanding while dealing with family-related stress and emotional strain. Interviewee C: Selection of successorwas depending just on the individual's abilities and capabilities, as things might go wrong if not handled properly.	Psychology pressure fromfamily Ability and promise were the deciding factors in the hiring process.
The choice was influenced by societal and familial norms.	Interviewee A: Decisions at a small or medium-sized enterprise (SME) have historically been skewed toward the leader's preferences because of this emphasis on leadership. Everything else will fall into place if the leader is balanced; else, everything will go horribly wrong. Equally so. Interviewee B: On FOBs, things were more nuanced. The influence organization has a lot of ambiguity. A succession planning method that relied only on certain influences.	Leader centric decision inSME Environmental influence

- **Coding and Categorizing Data**

After the data were sorted and recorded, the most commonly used words and thoughts delivered by the interviewee were analysed. Their narratives and thoughts that they shared were meticulously recorded, analysed, and classified into many categories.

Table 4.5 displaying every response to the prior inquiry for the purpose of creating categories

Theme	**Answers**	**Categories**
Structured plans for the future of leadership	a. It is only normal for businesses to be passed on to the next generation. b. In event of a dispute between siblings, the older sibling will have precedence. c. Putting policies of succession planning in place to guarantee leadership continuity even in crisis was only considered by one responder, and they seem to be making progress in that direction as well. d. The majority of the organization's leaders exhibited an uneasy combination of passivity and indirectness. e. There was no need to create policy for succession planning in FOBs; it was only a formality. f. Because of excessive intervention from family members, most FOBs fail to have effective rules and procedures for succession planning, even if they know how important it is.	Succession planningimportant yet not formalized.

2. Family members' meddling in the decision-making process	a. Family businesses struggle between two ecosystems namely Family and Civilization. Interactions between the two ecosystems are ongoing and reciprocal. b. Practically it was very tough to separate these two. c. Most of them stay tune to family as well as social value with the business. d. Most of They all agreed that family members meddled in the succession process, likely due to the fact that the family had a financial interest in the companies in question.	Family interferes inFamily Owned Businesses
3. Choosing a family member over an outsider for the role of successor	a. They thought it was only fair to give their children more responsibility and authority. b. For a variety of reasons (trust, risk, sustainability, goodwill, etc.), almost everyone favors family members above non-family members.	Family member over non family was favored.
4. Affective factors influencing choice	a. Choosing a successor from inside the family usually indicated a strong emotional impact. b. Despite the fact that they acknowledged that it limits their freedom of choice on occasion. c. In India, managers tended to let their emotions guide company decisions rather than logic.	Within FOBs, emotional impact is strong.

5. Social and family values influenced the choice.	a. Like other decisions in FOBs, succession planning is heavily influenced by social and familial norms. b. Reactions on the subject were divided, with some people agreeing and others disagreeing. c. In SMEs, procedure was less important than people when making decisions.	Social and Family value system influence.

- **Identifying broad patterns in the data**

Every one of the answer categories includes at least one or more linked common threads that provide the data with a more profound significance. The information was then categorised after being coded and arranged. After then, many categories were combined in order to construct one primary overarching concept. The following is a list of significant interview excerpts that supplemented the overall viewpoint of the subject matter in order to contribute to the measurements of the suggested model.

- **Validating/Confirming Findings**

Triangulation: When a finding can be corroborated by a number of different sources on its own, it might be considered more reliable. When they were validated when they used many devices to measure the same object, their conclusions were far more valid. Triangulation was therefore used to verify the findings according to the data supplied by the researchers. Given that particular instance, it was validated via the utilisation of four distinct methods for investigating the identical group of inquiries: analyses of content, themes, case studies, and interviews.

Table 4.6 displaying key points made and important one-on-one conversations

Vital Interview bites	**Themes**
Because it was always an internal family matter and there were few options, my father never had any trouble choosing a successor. However, now that we are involved, the whole succession planning process is shifting...I always knew what I wanted to do with my life, and as I got older, I discovered that my dad ran a manufacturing company, which I adored. I only had one kid, and he showed little interest in helping me with my company. These days, people don't feel the same way, therefore we need a backup plan.	Formal succession planning
Since I was never my father's only son, I was an obvious choice to succeed him. Growing up, my siblings and I never argued over our father's opinions or decisions, but in recent years, my father has been increasingly open to my ideas and opinions, and we've been able to weigh in on important board meetings. [The issues were often handled] because we gave him space to talk about it, he gave it some thought, and then either he or we paid attention—after all, we're human, too. After a few days, everything was OK. If we don't have such disagreements, we won't make any development as a firm, which is why I believe they are beneficial. When things are running well, people are less likely to grow and change. These were issues with the company, but we're well-trained and educated in theory, and we have a responsibility to maintain a good public image while avoiding interference with personal relationships.	Family over family
It was a lack of action, I took a lot of the responsibility, and I was busy with other things. As the oldest kid in the family, I felt a sense of lethargy when I joined, and the circumstances also played a role.It was all quite easy and I	Personality of incumbent

enjoyed it when I was a young girl who needed some spending money. I should mention that the businessman's size was another factor that drew me in, and after that, I felt great.	
My dad was always the one I could see working tirelessly on new projects, no matter the hour of day. The significance of the firm was obvious to me. We could see that there was a great sacrifice, but he conveyed really wonderful things to us, and there were compensations. All of them seem to be very content.	Family values
In my experience, family ownership ensures that the firm will continue in the same hands, regardless of its size. In my thirteen years here, I have worked my way up to the level of vice president, but for some reason, I just can't seem to get to the top. Without a doubt, it will be passed on to the son. If family-owned firms in India were mostly driven by emotions rather than rationality, then there was no room for expansion beyond a certain point, right?	Emotional Influence
The choice of successor was crucial and difficult for any business owner. Indeed, this is particularly true in a family-run firm where every member of the family has a hand in running the show. I didn't consider it my son...The best guy should win, in my opinion. Having my kid selected by my team is just coincidental. While it may be difficult to keep your emotions in check in this age of intense competition, having your kid sit across from you in a boardroom may help you stay focused.	Family involvement

4.4 VALIDITY, RELIABILITY, AND AUTHENTICITY OF DATA

The term "reliability" refers to the degree to which the methods used for collecting data and the analysis of this data yield consistent results. Additionally, reliability refers to the extent to which the material used in the research and the results obtained therefrom would be representative if another researcher were to conduct the same research again. The reliability of the research was evaluated using the cronbach's (alpha) test, and the result was.747, which indicates that there is a high level of internal consistency among all of the items taken collectively. This test is often used in the measurement of an instrument's internal consistency as well as its dependability.

4.5 PILOT STUDY

The next step was to carry out pilot research with a sample size of thirty participants. The results of this investigation showed that two of the items pertaining to personality, the level of succession planning, and emotions were reasonably similar to one another. As a result, the items were disregarded during testing in order to make the most efficient use of the respondents' time and attention. The final questionnaire consists of 31 statements, and approximately the same amount of questions was asked in each area, with the exception of the 10 questions that were asked on the level of succession planning. Because the respondents were concerned about maintaining the anonymity of the subject matter, they were extra cautious while replying to the questions; as a result, the replies may not reflect their normal reactions. Following the completion of only the pilot research, several of the questions were rephrased, and it became obvious that obtaining definitive conclusions on the basis of generational succession would not be achievable. Taking a look at the current state of the corporate world, there aren't that many companies which are willing to have a debate on this subject since they categorically deny that succession planning is a problem. They considered it to be a family enterprise, and so, it will only be passed on to members of the family. In light of this, the process of gathering information on paper for the purpose of this research was at times challenging and laborious, particularly in micro and first generation businesses. 208 people were sent the questionnaire, but only 97 of them filled it out and returned it. However, considering the circumstances, almost all of them worked together to comprehend the questionnaire and gave answers that were accurate to the best of their abilities.

4.6 PROBLEM STATEMENT

It seems that Indian family businesses, especially small and medium-sized organisations (SMEs), allow their personal feelings to play a role in the succession decision-making process. Due to their reduced capacity for taking risks, small and medium-sized enterprises often choose members of the founding family to take over as successors. They face challenges in many different areas, including finances, personnel, approval from higher-ups, and stability, to name a few. As a consequence of this, in order to preserve their business, they choose the option that presents the least amount of risk. It's possible that one of the elements leading to this inclination is the fact that they give priority to successors from within the family over those from outside the family. When it comes to matters of commerce, they have a propensity to place a greater emphasis on psychological characteristics than on practical ones, such as ownership, loyalty, and safety.

CHAPTER – 5

DATA ANALYSIS

5.1 DEMOGRAPHIC PROFILE

The research has furthermore included the respondents' indicated personal details, which may assist the reader in comprehending the participant's profile. These aspects also provide additional information to the findings of the investigation at subsequent phases.

Table 5.1 Respondents profile

Category of respondent	Number
HR Head	11
Operations Head	16
CEO/MD/ Business Head	58
Owner	12

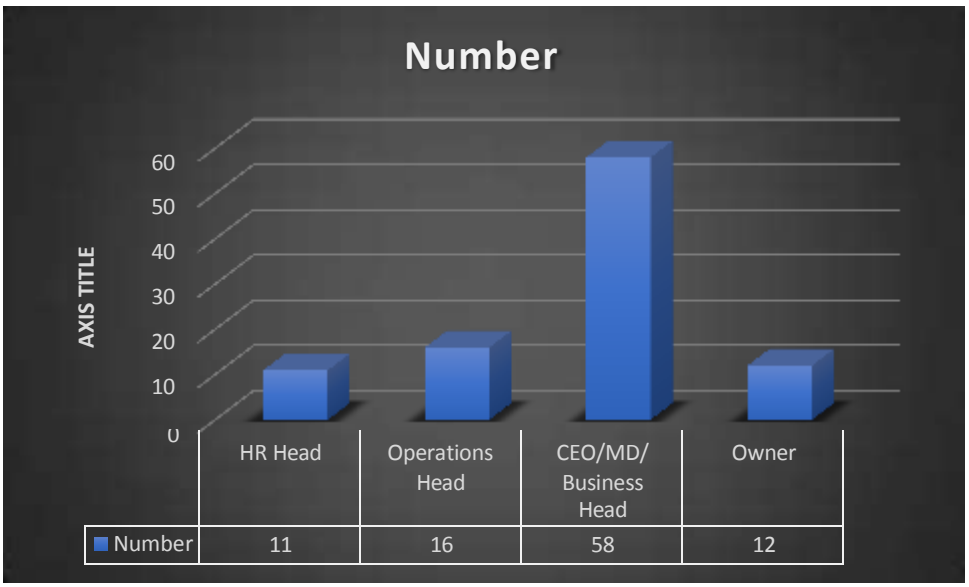


Fig. 5.1 Graphical representation

There were a total of 97 responders, and 58 of them were company leaders. These business heads included Chief Executive Officers, Managing Directors, and Chief Financial Officers. A little less than one-fifth of the employees, or sixteen, were in charge of operations in the firm; the remaining twelve were either the owners, partners, or proprietors who owned the company. Only 11 of them were in charge of human resources, and they were accountable for finding the appropriate person for the right job and developing the proper strategy.

Table 5.2 Location wise SMEs covered

Location	SMEs
Delhi	37
Faridabad	11
Gurgaon	28
Ghaziabad	8
Bahadurgarh	2
Bhiwadi	1
Sonipat	2
Noida	6
Sahibabad	2
Total	97

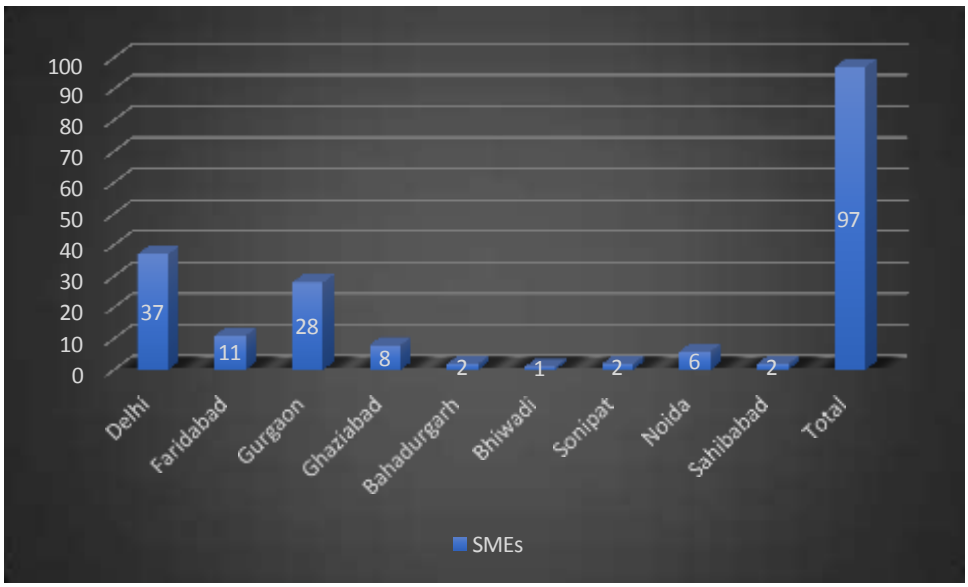


Fig. 5.2 Graphical representation

Nearly 38 percent of the 97 small and medium-sized enterprises (SMEs) were located in Delhi, which corresponds to around 37 SMEs. The second greatest number of SMEs came from Gurgaon (now called Gurugram), which accounted for approximately 29 percent and totaled 28. Next on the list was Faridabad, which contributed 11%, resulting in 11 SMEs. This was followed by Ghaziabad, which contributed 8%, resulting in 8 SMEs, and finally Noida, which contributed 6%, resulting in 6 SMEs. The remaining ones originated in Bhiwadi, Bahadurgarh, Sonipat, and Sahibabad.

Table 5.3 Types of enterprises on the basis of investment in P&M (as per MSME Act)

Type of Enterprise	Numbr
Micro	23
Small	50
Medium	24
Total	97

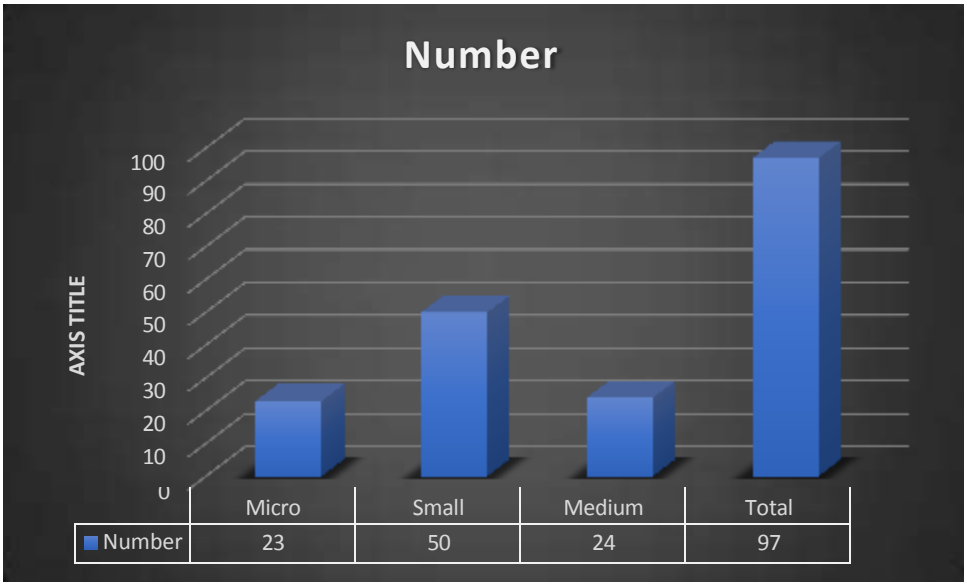


Fig 5.3 graphical representation

Almost half of all businesses were classified as being small, with an investment ranging from 25 lakhs to 5 crores; 23 of these businesses were classified as micro enterprises, with an investment of less than 25 lakhs; and 24 of these businesses were classified as medium enterprises, with an investment ranging from 5 crores to 10 crores.

Table 5.4 Number of Board members in an enterprise

Board Members	Number
Upto 5	72
Between 5-10	16
Between 11-15	7
Above 15	2

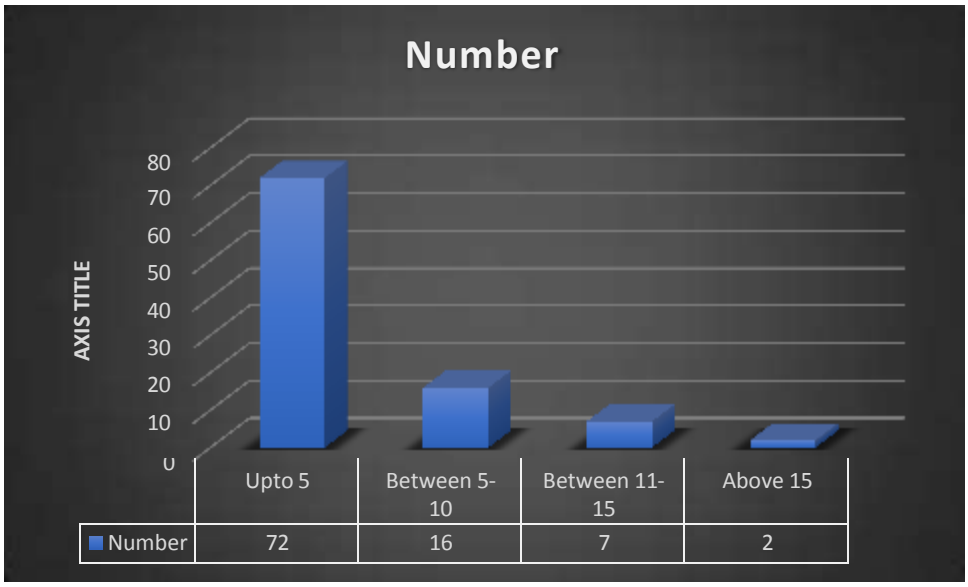


Fig 5.4 Graphical representation

The bulk of the businesses have less than five people serving on their boards of directors, while 23 businesses have a suitable size of between 5 and 15 board members, with a mix of family and non-family members, and just two businesses have more than 15 board members.

Table 5.5 Gender mix in Board

Gender Mix	Number
No	93
Yes	4

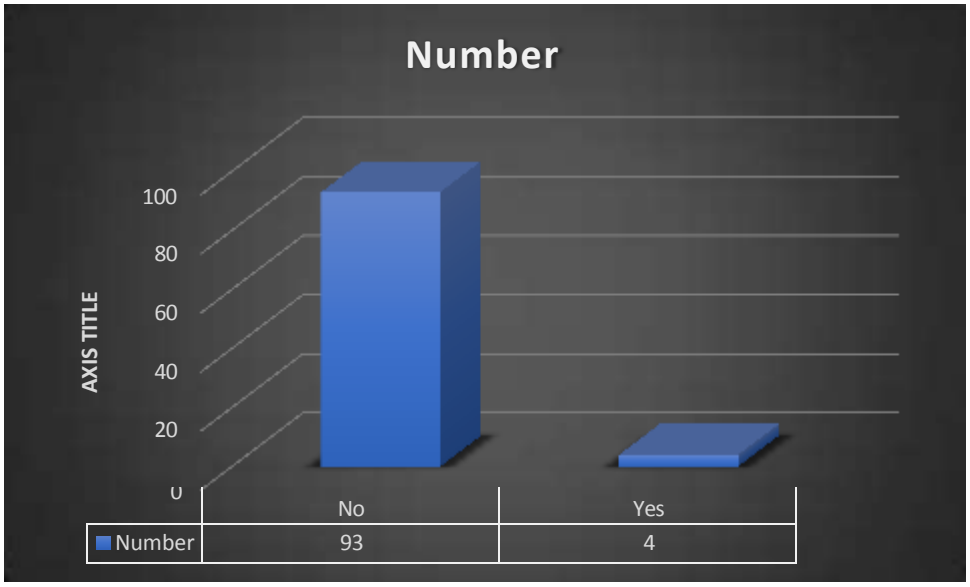


Fig 5.5 Pie diagram representation of Gender mix in Board

The gender ratio on boards of directors for SMEs is shown in the table and figure above. Even in this day and age, not a lot of smaller businesses keep track of the gender ratio in their board rooms. Only four businesses are run by people of both sexes; the other ninety-three are all run by people of just one. In point of fact, several studies have shown that a healthy gender balance results in increased variety as well as improved perspectives on managerial choices.

Table 5.6 Showing succession generation in SMEs

Generation of Succession	Number
First generation	18
Second generation	72
Third generation	7

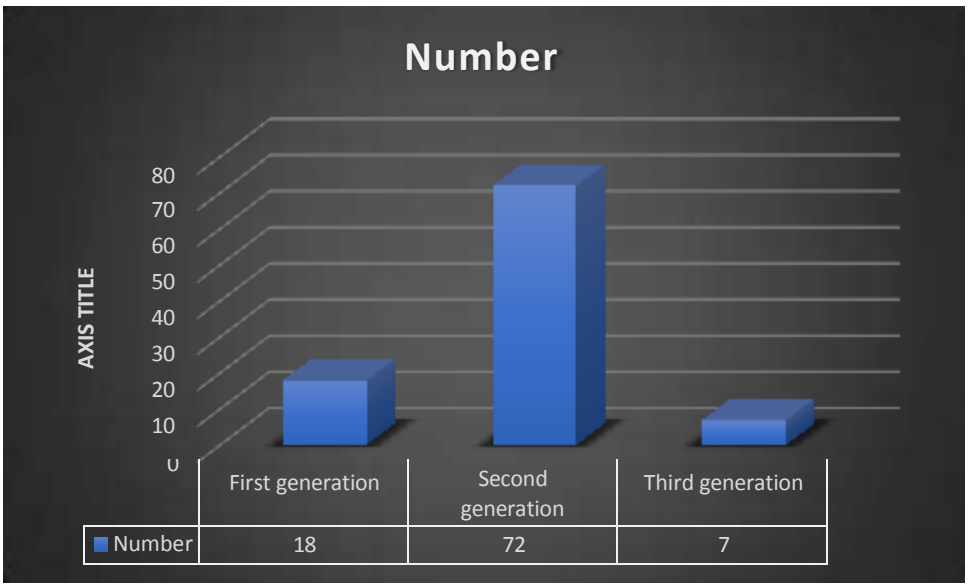


Fig 5.6 graphical representing generation of succession in SMEs

72 small and medium-sized enterprises (SMEs) are in the second generation of succession in the said sample, whereas there are mere 18 in the first generation of succession and only 7 in the third generation of succession. The term "generation of succession" refers to the generation currently holding the position of incumbent in the business. Every single one of the responders either had succession plans in place for the next five years or had already completed succession in the five years before.

5.2 RELIABILITY AND VALIDITY

The term "reliability" refers to the degree to which a measurement or group of measures produced the same results every time they were used to describe a test. The degree to which a test regularly assesses whatever it is that it measures is referred to as its reliability. The degree to which a test really assesses the things it claims to measure is known as its validity. There are many distinct varieties of validity. During the process of developing the research instrument as well as during the interview itself, the interview answer was used to systematically evaluate and maintain the face validity, content validity, and criterion validity of the research instrument. A statistic known as Cronbach's (alpha) measures reliability it is used in the process of measuring the instrument's internal consistency and dependability. The value of Cronbach's (alpha) in this investigation is 0.747. A number of less than 0.70 indicates a satisfactory level of dependability (Nunnally, 1978). A number indicating a substantial association was shown in the interim correlation matrix (Table 5.7).

Table 5.7 Reliability Statistics of all items

Cronbach's Alpha	Cronbach's AlphaBased on Standardized Items	N of Items
.614	.747	31

5.3 FACTOR ANALYSIS

In this research, a factor analysis is used to determine the characteristics that influence the selection of a successor in family-owned small and medium-sized enterprises (SMEs). This method is believed to be the most suitable for such an investigation since it does not call for any prior functional linkages and is widely renowned for its capacity to reduce amounts of data. It is used to condense a vast number of variables into a manageable number of fundamental components. There are two distinct variations of factor analysis: exploratory factor analysis (also known as EFA), and confirmatory factor analysis (CFA). Exploratory factor analysis, specifically principal component analysis combined with varimax rotation, is used in this investigation to evaluate concept validity.

5.3.1 KMO and Bartlett Test

The Kaiser-Meyer-Olkin test determines whether or not a sample is sufficient. KMO test's numbers ranged between 0 and 1. The value zero indicates that the total sum of correlations for some of the variables was high compared to the total sum of correlations, indicating that factor analysis was probably not suitable. The value of the Barlett's Test of Sphericity, which is.000, is a measure of the sample adequacy, and it is extremely well acknowledged all over the globe. In addition to this, it pertains to the validity of the study since it reflects the appropriateness of replies. The suitability of the data for factor analysis was evaluated using the sphericity test developed by KMO and Bartlett. The findings are shown in Table 5.8. A KMO value of less than 0.5 is regarded to be adequate for sampling purposes. The KMO for this survey is.465, and despite the fact that it is on the low end, it was nonetheless taken into consideration owing to the demographic factors of the respondents. The approx. Chi-square was 1581.9 (df=465, $p<0.01$).

Table 5.8 KMO and Barlett‘s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.465
Bartlett's Test of Sphericity	Approx. Chi-Square	1581.900
	FD	465
	Sig.	.000

5.3.2 Communalities

The term "communality" refers to the proportion of the total variation in each indicator that is due to common factors. When researchers use principal component analysis, they initially presume that all of the variance is shared (initial value = 1), but after extraction, the numbers in the extraction column represent shared variance in the data structure. A higher number of communalities indicates that the indicators are appropriately fitting the data. The indicators' communalities after extraction are shown in Table 5.9. However, all of the elements are displaying a large degree of variation, with characteristics such as desire accounting for 83.9% of the total, followed by how effectively something is conveyed (81%), and train potential accounting for 80% of the whole.

Table 5.9 Communalities of items

	Initial	**Extraction**
Emotions		0.67
Values	1	0.783
Bias	1	0.613
Owners' Commitment	1	0.709
Psychological Ownership	1	0.762
Owners' Self investment	1	0.614
Attachment	1	0.719
Involvement	1	0.651
Family Commitment	1	0.751
Interference	1	0.684
Climate	1	0.721
Frequency of meet	1	0.79
Rational	1	0.665
Sensitive	1	0.767
Formal Policy	1	0.698
Explicit criteria	1	0.742
Train potential	1	0.8

Attention to potential	1	0.71
Well Communicated	1	0.81
Consensus	1	0.72
Ownership	1	0.645
Role Clarity & Responsibility	1	0.657
Strategy	1	0.641
Transfer	1	0.646
Minimizes Risk	1	0.633
Balance	1	0.713
Willingness & Interest	1	0.672
Trust	1	0.666
Confidence	1	0.763
Sibling Rivalry	1	0.71
Desire	1	0.839

5.3.3 Total Variance Explained

The numbers of the variables that were used for the factor analysis make up the first components. The variances of the factors are represented by the Eigen values. The Eigenvalue is located in the total column of the table. It is inevitable that the first component will always account for the greatest amount of variation and will, as a result, have the highest Eigen values. The next factor will be responsible for accounting for as much of the remaining variation as it can, and this process continues until the last component is considered. The percentage of variation indicates what fraction of the overall variance may be attributed to each element, while the cumulative percentage provides information about the entire percentage of variance that has been accounted for up to this point. According to this study's findings, the top 13 variables account for 70.8% of the total variation. After applying the varimax rotation with Kaiser Normalization, the rotation sums of the squared loading indicate the distribution of the variance. The goal of the varimax rotation is to increase the amount of variation across all of the factors.

Table 5.10 Total Variance explained

Component	Initial Eigen values			Extraction Sumsof Squared Loadings		Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Total	% of Variance	Cumulative %
1	3.517	11.344	11.344	3.517	11.344	2.004	6.466	6.466
2	2.423	7.817	19.162	2.423	7.817	1.946	6.277	12.743
3	2.061	6.647	25.809	2.061	6.647	1.864	6.012	18.754
4	1.869	6.031	31.839	1.869	6.031	1.84	5.936	24.69
5	1.692	5.459	37.298	1.692	5.459	1.816	5.859	30.549
6	1.649	5.321	42.619	1.649	5.321	1.69	5.451	36.001
7	1.586	5.115	47.734	1.586	5.115	1.659	5.352	41.353
8	1.442	4.65	52.384	1.442	4.65	1.648	5.317	46.67
9	1.325	4.276	56.66	1.325	4.276	1.624	5.239	51.909
10	1.179	3.804	60.463	1.179	3.804	1.553	5.009	56.917
11	1.122	3.62	64.083	1.122	3.62	1.542	4.976	61.893
12	1.06	3.418	67.501	1.06	3.418	1.459	4.706	66.599
13	1.038	3.349	70.85	1.038	3.349	1.318	4.251	70.85
14	0.971	3.134	73.984					

15	0.901	2.906	76.89					
16	0.817	2.637	79.527					
17	0.772	2.489	82.016					
18	0.635	2.047	84.063					
19	0.606	1.955	86.018					
20	0.576	1.859	87.877					
21	0.547	1.763	89.64					
22	0.495	1.596	91.236					
23	0.448	1.444	92.68					
24	0.429	1.383	94.062					
25	0.382	1.233	95.296					
26	0.329	1.061	96.357					
27	0.296	0.954	97.311					
28	0.261	0.842	98.153					
29	0.218	0.702	98.855					
30	0.204	0.65	99.515					
31	0.14	0.483	100					

It was determined that there were thirty-one components, matching the number of factors applied to the variables. The first thirteen factors, when combined, explained almost 70% of the overall variance. What this means is that thirteen factors may describe 70% of the common variation that is shared by 31 variables.

5.3.4 Component Rotation Matrix

Rotation facilitates clearer and more straightforward comprehension of the meaning. Following the application of the Component Rotation Matrix, the data were categorized using rotated iterations, as shown in Table 5.11. The data was sorted rendering to the size of each individual component. There are thirteen distinct factors that go into the choosing of successors in the procedure of succession planning for family-owned businesses. After that, these elements were categorized further based on the statistics. When working with the Rotation Component Matrix, the primary concern was ensuring that each component was appropriately matched on one of the considerations. We only considered those components with the greatest absolute values, since this best reflects the nature of the connection. The voids or spaces between the numbers represented values that were lower than the highest. The values below 0.420 were omitted to simplify the portrayal and avoid misunderstandings. The Rotated Factor Matrix visualizes the rotated factor loadings, which are the correlations between the factors and the variables. The "factor" column reflects the extracted rotated factors from the overall factor. After the data was reduced, these were the main factors that were selected for the final factor. Names have been assigned to each set of factors in line with their grouping; these names will stand for both the grouped factor and the factors.

Table 5.11 Rotated Pattern Component Matrix

	1	2	3	4	5	6	7	8	9	10	11	12	13
Involvement	0.6												
Family Commitment	0.78												
Rational	0.45												
Emotions		0.76											
Minimizes Risk		0.66											
Willingness & Interest		0.18											
Attention to potential			0.43										
Consensus			0.71										
Balance			0.7										
Owners' Self investment				0.52									
Interference				0.58									
Psychological Ownership					0.75								
For mal Policy					0.58								
Values						0.79							
Owners' Co mmitment						0.49							
Explicit criteria						0.61							
Frequency of meet							0.76						

Sensitive							0.76						
Role Clarity & Responsibility								0.48					
Trust								0.52					
Desire								0.88					
Ownership									0.62				
Confidence									0.76				
Transfer										0.52			
Sibling Rivalr y										0.84			
Bias											0.52		
Attachment											0.82		
Train potential												0.48	
Well Communicated												0.87	
Climate													0.55
Strategy													0.72

After that, the original Pattern Matrix was factor-wise split into several smaller Pattern Matrixes. The impact of emotions on the selection of a successor in succession planning for family-owned SMEs in India was the first consideration, with regard to the automotive component industry.

Table 5.12 Matrix for Emotional Patterns

a			
	Component		
	1	2	3
In our company, emotions have played/play a pivotal role in deciding the next successor	.688		
We were highly values-oriented family owned business.	.503		
Feelings may not always indicate prejudice in our view.	.688		
Incumbent's Feelings of dedication to the company influence the choice of leadership.	.570		
In our company, owner's Feelings of ownership impact the choice of successor.		.702	
Owners' self-investment in business makes him/her more emotional in succession decision.		.760	
In our company, emotional attachment of the owner effects succession decision.			.904
Extraction Method: Principal Component Analysis. Rotation Method: Promax with Kaiser Normalization.			
a. Rotation converged in 4 iterations.			

The rotation eventually settled into four repetitions, the first of which was the owner's attachment, which had a maximum value of.904, followed by the owner's feeling of self-investment and ownership, which had values of.760 and.703, correspondingly.

Table 5.13 Family Pattern Matrix

	a		
		Components	
	1	2	3
Everyone in the family had a say in the company's direction and direction alone.	.756		
The continuation of the firm as a family business was a strongly held goal of all family members engaged.	.720		
The structure of a family-owned firm is affected by the family's environment and culture.	.517		
All members of family involved in business meet regularly and actively participate in all decisions related to theBusiness		.738	
Because family matters were so important to the company, everyone had a hand in choosing what to do next.		.825	
When it came to commercial matters, family members always acted rationally.			.808
There could be no separation of family meddling in a family-owned firm.			.668
Extraction Method: Principal Component Analysis. Rotation Method: Promax with Kaiser Normalization.			
a. Rotation converged in 7 iterations.			

Second, there was intervention from families in the selection and planning of successors for family-owned small and medium-sized enterprises (SMEs) in India, particularly with regard to the automotive component industry. The rotation eventually settled into seven iterations, with family engagement exhibiting the highest value of.825, followed by family members as logical decision-makers (.757) and members as family members as a whole (.809).

Table 5.14 Pattern Matrix for the Scope of Succession Planning

	a			
	Component			
	1	2	3	4
Our company's ownership structure will be clearly defined once the successor assumes control.	.703			
After the transition of leadership occurred, there was an unspoken agreement about the duties and obligations of the departing president inside the company.	.570			
We have a clear strategy for the company's future once the leadership role is filled.	.570			
Following the handoff of leadership, we have a clear strategy for the company's future.		.720		
The best successor might be found using explicit succession criteria.		.898		
Prior to the succession, the possible successors were made aware of the company's ins and outs.			.842	
There was and is a structured process in place for the company's succession planning.			.758	
The board members reached an agreement to choose the next leader.				.917

Principal Component Analysis is the extraction method used.

Method of Rotation: Promax with Kaiser Normalization.

a. Rotation converged in 8 repetitions.

The third consideration was in the context of succession planning for family-owned SMEs in India's automotive component sector, the degree to which succession planning processes have been put in place inside an organization to choose a successor. Explicit selection criteria had a value of.898 and explicit attention to details had a value of 0.918, while the board members' consensus had a maximum value of 0.918 at the end of the eight-iteration rotation with a value of 0.843 each.

Table 5.15 Characteristics of personality Matrix of Patterns

	Component			
	1	**2**	**3**	**4**
Respect and trust were crucial factors in	.870			
It is essential that the heir apparent be eager to assume control of the company.	.663			
In succession planning, the interest and willingness of the incumbent are important factors.		.812		
Reducing business risk and controversy via the use of a family member as a successor		.737		
Keeping the family and company dynamics in check is essential during succession planning.			.807	
The new owner has to be enthusiastic and self-assured to run the company.			.707	
Unanticipated succession might cause animosity between siblings.				.841
Principal Component Analysis is the extraction method used. Method of Rotation: Promax with Kaiser Normalization.				
a. Rotation converged in 8 iterations.				

Personality variables impacting the fourth factor that was considered was the selection of a successor in succession planning for family-owned small and medium-sized enterprises (SMEs) in India's automotive component sector. Rotation converged into eight iterations, containing trust and respect as a result of an unexpected succession that may cause sibling rivalry and has incumbent values of.840 and.813, respectively important attributes exhibiting a maximum value of.871.

5.4 MODEL FIT VALIDATION USING AMOS FOR THE DEVELOPED MODEL

For the SEM was used with the aim of validating a proposed model. Management and the social sciences made the greatest use of it, particularly for testing hypotheses in situations where accidental impacts were obvious. The SEM has gained widespread acceptance in empirical research. Because it may infer links via which latent variables, or unseen constructions, based on interactions between observable constructs, structural equation modelling (SEM) is often justified for use in the social sciences. AMOS 19 was used for the Structural Equation Modelling (SEM) analysis that was performed in this research to investigate the hypothesised relationships among the variables and to evaluate the hypotheses. It involves a conversation in both directions. To begin, the measurement models of each concept were put through a Confirmatory Factor Analysis (CFA) in SPSS so that the construct validity could be evaluated (as mentioned above). Second, an estimation of the SEM was carried out for the Conceptual Model. After carrying out the assessment of the Conceptual Model, a revised model, known as the Modified Conceptual Model, was created for in order to conduct more studies. Measurements of fit, statistical significance of coefficients, and interpretation are the three main parts of the assessment findings for the Modified Conceptual Model. Conclusions drawn from experiments performed on the hypotheses and the model that was constructed are presented below.

As part of expanding our understanding or verifying what we already knows, fit indices assess how well a theory or model worked in a certain situation. Either when evaluating existing information or when creating a new area of knowledge, this may be done. Once it has been determined that the model is valid, the researcher will determine whether or not certain routes were significant. Even if the fit indices are satisfactory, it does not mean that the associations were particularly robust. In point of fact, it was often simpler to acquire high fit indices when the correlations between the variables were weak rather than strong. This was due to the fact that the capacity to detect deviations from predictions was better displayed. The chi-square value served as the basis for the derivation of many of the fit indicators. The chi-square value, in the context of this discussion, conceptually indicates the difference between the covariance matrix that was observed and the covariance matrix that was anticipated or

modelled. The fit indices may be organised into a number of different categories. These courses include the following:

- Discrepancy functions (e.g., RMSE, chi-square, relative chi-square) and tests (e.g., CFI, NFI, TFI, and IFI) that compare the null model to the suggested model The CFI, NFI, TFI, and IFI are tests that compare the null model with the proposed model.
- AIC, BCC, BIC, and CAIC goodness-of-fit metrics from information theory
- The NCP and other non-centrality-based metrics.

Table 5.16 Models Fit Indexes: Deciphering Abbreviations

CMIN	Chi²: Discrepancy between Sigma (theta) and the unrestricted S
***d*:**	dissimilarity between the Greek letters S and theta
***H0*: S**	Sigma (theta)
***N*:**	sample size
***df*:**	degrees of freedom
***p*:**	Sample moment count (number of parameters)
***t, q*:**	The quantity of unique calculated parameters
Sigma (theta):	A matrix displaying the sample's covariance using the default model
***S*: C**	Covariance matrix of the sample without restrictions (saturatedmodel)
***theta*:**	default model
NPAR	Estimated parameter count q
DF	The variables df, where d=p-q, represent degrees of freedom.
PRATIO	=p(parsimony) ratio p=d / d(independent)
CMIN	A: The function that minimizes disagreement
NFI	Standardized Fit Scale
RFI	Fit Index (Relative)
IFI	Incremental Measure of Fit
TLI	Tucker-Lewis Index
CFI	The Index of Comparative Fit,

PRATIO	p(parsimony) ratio p=d / d(independent)
PNFI	Parsimony-adjusted Normed Fit Index
PCFI	Comparative Fit Index with Parsimony Adjustment
RMSEA	SQRT(F0/df)with LO90 and HI90, Root Mean Square Errorof Approximation
NCP	A: estimator of non-centrality parameters with confidence interval [LO90, H I90] B: Measure of discrepancy between Sund Sigma(Theta)
FMIN	Less than the discrepancy function F

5.4.1 Goodness of fit for Conceptual Model

Table 5.17, which represents the estimated structural equation model, is the result of the structural equation model for the modified conceptual model. As can be seen in Table 5.17, the CMIN/DF ratio is 3.255, which is satisfactory given that it must be lower than 5. The RMSEA is.108, which provides more evidence in favour of the model, as was indicated below. This further demonstrates how the structures were supporting one another and how they were nicely suited in the same direction.

Table 5.17 AMOS output of proposed model – CMIN/DF

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	66	1295.603	398	.000	3.255
Saturated model	464	.000	0		
Independence model	58	1426.461	406	.000	3.513

The chi-square for the model is also known as the discrepancy function, likelihood ratio chi-square, and chi-square goodness of fit. All of these names refer to the same thing. The smallest chi-square value that may be attained by model fitting is referred to as CMIN in AMOS. The covariance matrix that was seen has a great deal of similarities with the covariance matrix that was expected, or the matrix that was

predicted by the model. If the chi-square test yields significant results, the model in question is considered, at the very least sometimes, to be unsuitable. Many academics, on the other hand, may dismiss this indicator if the sample size is more than 200 and other indices suggest that the model is appropriate. It was the smallest possible deviation, broken down by the number of degrees of freedom it had. CMIN It is used as a fit index while trying to fit a model. Because the Chi-square value is dependent on the size of the sample, any value that is less than one is not cause for alarm.

It was proposed that the use of this ratio need to be used as a measurement of fit. In order for models to be accurate, the estimate criteria and the ratio have to be very near to one. The difficulty, however, lies in the fact that it is not quite apparent how far a researcher should let the ratio grow before drawing the conclusion that a model is unacceptable. Although the fit of the model isn't dependent on just one index (CMIN/DF), interpreting the data should include integration with a number of other indices (CFI, GFI, NFI, RMSEA, SRMR etc.). Again, these fit indices were dependent on the size of the sample as well as the complexity of the model (for example, the number of parameters). If the CMIN/DF number was more than one but less than five, then it was concluded that the research paradigm in question was appropriate. Given the circumstances, the CMIN/DF value is 3.255 (refer Table 5.17). As a result, the approach that was suggested is relevant in the context of succession planning in family-owned businesses that are component SMEs in the automotive industry.

Table 5.18 AMOS output of proposed model – RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.108	.102	.115	.000
Independence model	.114	.108	.121	.000

Because the RMSEA value is less than.10 and the PCLOSE value is less than.05, it indicates for the data to be well-fit by the model. This is required by the standardisation of the AMOS indices. The RMSEA, or root mean square error of approximation, is a notion related to the non-centrality parameter, it presents a difficult task. The standard chi-square test assumes the null hypothesis to be true. This exemplifies reasoning for the inclusion of the non-centrality parameter in the analysis. This is an illustration of the centre chi-square distribution. Who proposed chi-square statistics as a technique of assessing fit of data to the model? Noncentrality-based indices include the Root Mean Square Error of Approximation (RMSEA), which was propagated. It should not be confused with RMR or SRMR, Bentler's Comparative Fit Index (CFI), McDonald and Marsh's Relative Noncentrality Index (RNI), or McDonald's Centrality Index. Nor should it be confused with Bentler's Comparative Fit Index (CFI) (CI). Because the noncentrality parameter is simply a function of chi-square, df, and N, several of the formulas for the relative fit indices described above can be algebraically manipulated to include the noncentrality parameter as shown below. This is because the noncentrality parameter is a function of chi-square, df, and N. (Table 5.19).

Table 5.19 AMOS output of proposed model – Baseline Fit

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.092	.073	.127	.103	.120
Saturated model	1.000				

Similar to the IFI, NFI, TLI, and RFI, the comparative fit index compares the model of interest to another option, such as the null or independence model. To be more specific, the CFI (Bentler Comparative Fit Index) compares the fit of a target model to the fit of an independent model. An independent model is one in which the variables are believed to be uncorrelated. In the context of this discussion, "fit" refers to the difference between the covariance matrices that were observed and those that were expected, as shown by the chi-square index. The coefficient of determination (CFI)

displays the ratio of the differences between the suggested model and the independence model's differences. The CFI, or comparative fitness index, reflects, roughly speaking, the degree to which the model of interest was superior than the independent model.

The CFI fit index may range from 0 to 1, with 1 or anything very close to 1 being considered acceptable. The acceptability of the model's fit is shown by the fact that this study's CFI value is.120, as is seen in the following: Both the indexes-Incremental fit index (IFI) value and the Tucker-Lewis Index value are equal to.121 (TLI). 103 indicate encouraging results and demonstrate that the methodology was appropriate for use in succession planning for small and medium family businesses in the Delhi and National Capital Region.

Table 5.20 AMOS output of proposed model – Parsimony-Adjusted Measures

Model	**PRATIO**	**PNFI**	**PCFI**
Default model	.980	.090	.118
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

These fit indices were changes made to the majority of the ones that came before them. They were relative fit indices. Adjustments were made in order to punish models that were less parsimonious, with the goal of favouring theoretical processes that were simpler rather than those that were more complicated. The fit index dropped precipitously as the complexity of the model increased. The following are examples of parsimonious fit indices: PCFI (based on Bollen's IFI), PNFI (based on the NFI), PNFI2 (based on the GFI), and PGFI (based on the GFI) (based on the CFI mentioned below). There was considerable discussion as to whether or not the parsimony modifications were suitable, despite the fact that many scholars are of the opinion that they were very crucial. The researchers need to examine model fit apart from any parsimony concerns, but they should also analyse alternative theories that prioritise

parsimony. We would not punish models for having more parameters if we took that approach; nevertheless, if other models that are simpler seem to be of same quality, we could choose to prefer the model with fewer parameters.

5.4.2 Association between the factors

As shown in figure 5.2, which illustrates the interlinkage between the components, it is essential to have an understanding of the relative strength of the different routes that connect the various elements. Table 5.21 presents the results of the structural model's estimation process for each of the six route coefficients. Every single coefficient, with the exception of the route, has the predicted positive sign.

Emotions <--> Extent and Personality <--> Emotions

When the relevance of the routes in the structural model is taken into consideration, it can be seen that, out of the 13 calculated coefficients, there have arisen a total of 4 paths that measure the relationship with the construct. The covariance statistic demonstrates the causal chain that links the many components that are present in two different sets. Both extent to emotion and personality to emotion retain a strong path of connection, with p values that are high enough to indicate this.

Table 5.21 Covariances: Group member 1- default model)

Family	<-->	Extent	.011	.005	2.273	.023 par_1
Personality	<-->	Family	.012	.005	2.695	.007 par_2
Emotions	<-->	Extent	.026	.005	5.162	*** par_3
Personality	<-->	Emotions	-.015	.004	-3.570	*** par_4

5.4.3 Hypothesis Test

The hypotheses that were developed as a result of the examination of the relevant literature in Chapter 5 were assessed within the framework of the proposed Conceptual Model as well as the Modified Conceptual Model. Hypotheses are found

to be supported in most circumstances, with the exception of one case. If the method is not applied to the Modified Conceptual Model, then the hypotheses will be dismissed as invalid. Tables 5.22 and 5.23, respectively, provide a synopsis of the hypotheses, related pathways, and outcomes.

Table 5.22 Variances: (Group number 1 - Default model)

	Estimate	**S.E.**	**C.R.**	**P Label**
Emotions	.029	.007	3.945	*** par_34
Family	.036	.008	4.258	*** par_35
Extent	.025	.007	3.786	*** par_36
Personality	.017	.006	2.933	.003 par_37

In a two-tailed test for significance of the coefficient, the probability of a t value that is equal to or larger than the actual t value demonstrates that the real value was zero. This indicates that the null hypothesis is correct. When you see the symbol ***, it means that the null hypothesis was disproved at a level of significance of.001, and that the P value was less than.001.

H1: The selection of a successor in a family-owned business is influenced by emotions business.

The results of Table 5.22 indicate that Hypothesis 1 is accepted. The route coefficient had the predicted positive sign and statistical significance (p <.001) were both shown. To prepare for a potential leadership transition, for family-owned automotive SMEs, there is a correlation between emotional influence and the selection of a successor.

H2: There is an association between family involvement and selection of successor in family owned business.

The results of Table 5.22 indicate that Hypothesis 1 is correct. The route coefficient was shown to have a substantially different from zero (p less than.001), as was the

predicted direction of its sign in the process of succession planning for family-owned automotive SMEs, a link forms between the engagement of family members and the choice of a successor.

H3: There is an association between extent of formal succession planning and selection of a successor in Indian family owned business.

The results of Table 5.22 indicate that Hypothesis 1 is accepted. The route coefficient was shown to have a substantially different from zero (p less than.001), as was the predicted direction of its sign. There is a correlation between choose someone to take over and the degree to which family-owned automotive SMEs prepare for their own succession.

H4: There exists an association between personality of incumbent and selection of a successor in Indian family owned business.

The null hypothesis is accepted since the p value of.003, which is not significant, disproves the alternative hypothesis (H4) (Table 5.22). There is no connection between the personality of the incumbent and the choice of the next person in line.

Table 5.23 Hypotheses summary

Hypothesis	Statement	Status	Value
H1	There is an association between the emotional influence and selection of successor in family-owned business.	Supported	P<.001
H2	There is an association between family involvement and selection of successor in family-owned business.	Supported	P<.001
H3	There is an association between extent of formal succession planning and selection of successor in Indian family-owned business.	Supported	P<.001

H4	There exists an association between personality of incumbent and selection of successor in Indian family-owned business**.**	Not supported	P = 0.003

There are four hypotheses, and three of them are accepted, while the fourth one accepts the null hypothesis since the correlation between the two variables was determined to be weak. Nevertheless, despite the fact that personality has a limited connection with choose someone to take over in succession planning for family-owned automotive SMEs, it reflects a relationship with other criteria. As a result, for proper model fit, every single one component is taken into consideration. The fact that the literature continues to support the connection of personality is something that, for the sake of the investigation as a whole, cannot be overlooked. As a result, we regard it to have an integrated perspective.

5.5 INTER LINKAGE OF FACTORS

According to the hypothesis, there is a connection between each and every one of the independent factors that have been found for selection of successors' in succession planning of Family Owned Businesses Automotive SMEs. The correlation matrix that may be seen below can help better explain the same thing. The direction and size of an association may be understood with the help of correlation, and the findings provide evidence that there is a connection between all of the elements, as seen in figure 5.3.

Table 5.24 Correlations: (Group number 1 - Default model)

			Estimate
Family	<-->	Extent	.359
Personality	<-->	Family	.510
Emotions	<-->	Extent	.953
Personality	<-->	Emotions	-.676

The correlation between the various components is shown in Table 5.24, which can be seen here. The strongest connection may be seen between feelings and the degree to which a family business is passed down across generations. 953, which is the second significant connection between Personality and Family Involvement, as it is represented by.510, and 359, which is the third significant link between Formal Education and Family Involvement Succession. The connection between personality and feelings is considered to be an unfavourable one. A positive direction can be seen among three of the elements in this correlation matrix, while a downward trend is seen among one.

5.5.1 Modified Conceptual Model

Emotional Influence, Family Involvement, Extent of Succession Planning, and Personality were the four latent variables that were represented in the route diagram that was Fig. 5.3. Personality had a function in choosing succession planning. In addition to this, it illustrates the loading of each component on the latent variable. The model reveals a statistically significant and highly significant relationship between four latent variables. When applying the Model Fit in AMOS, the minimum is reached, clearly shown by the results displayed below, and the figure below illustrates the standardised estimate of the proposed model using AMOS. The suggested model had 33 constructs; however, after proper fitting of components into AMOS and factor analysis, only 29 of those constructs emerged as predictors of variables impacting transition strategies for choosing of a successor.

5.6 ASSESSMENT OF DATA

The purpose of qualitative study was to get an understanding of how SP patterns in FOBs belonging to SMEs and to contribute to the development of a robust model along with quantitative research.

Table 5.25 Providing an Analysis of the Patterns and Practices Employed in FOB Succession Planning

Factors	Second Generation FOBs	First Generation FOBs
academic instruction	It would seem that these characteristics do not distinguish first-generation from second-generation businesses. The current administration should prioritize the interests and professional development of the next generation of leaders.	
Experience with the firm	The majority of organizations welcome members of the next generation to join their executive ranks. The chance to take on a lower-level position was seen as a valuable way to acquire expertise and establish credibility inside the firm. Early interactions with the firm provided an extra chance to get to know the business and to be more	
The act of taking charge	Because they were following in the footsteps of their predecessor, the successor had too much freedom to take over management.	The progeny were emotionally and intellectually ready to take up the mantle.
A predecessor's function	The previous generation was hesitant to even hear the successors' arguments. Employees' personal lives were impacted by workplace conflicts, and vice versa.	Significant ancillary function by permitting the presumption of responsibility and by creating an atmosphere of consulting and tolerance of mistakes. People thought that having different leadership styles was a good thing. The disagreement didn't extend

		outside the office.
Family Preference Over Non-Related Individuals	The only exception is one, who defended himself by saying that his predecessor had a great deal of trust and control over the company. The other nine members of the family all favor non-family members.	
Functioning outside of the managers	_Supportive role, loyalty and boration. They are now actively involved in decision-making and have been given more agencies. They were only allowed to observe and not advance in their careers inside the organization.	
The circumstances of joining the company	Joining the company occurred naturally as a result of age, a lack of alternative career possibilities, or a long-standing family tradition. It was a given up until the second generation joined the family firm, but they all agreed that the third generation would bring about a shift. Why? Because a large portion of the youths showed zero interest in pursuing careers in business.	
Successors'Expectations	Optimistic overall, but grounded in reality. Upon joining, the successors were only then made aware of the downsides of company ownership.	
Satisfying the successors' needs	There has been a completely satisfactory evolution or the successors perceive that the Family owned businesses allows, or will allow, the satisfaction because they were controlling the business.	
Future of succession planning	Most of them understand the need of taking a help or guidance from professional to convert the succession planning as a rational and objective process of the company where it must be on competency-based selection.	

5.6.1 Thematic Network model of succession planning

A theme network model was established, which was then further described, based on information that was gathered and synthesised.

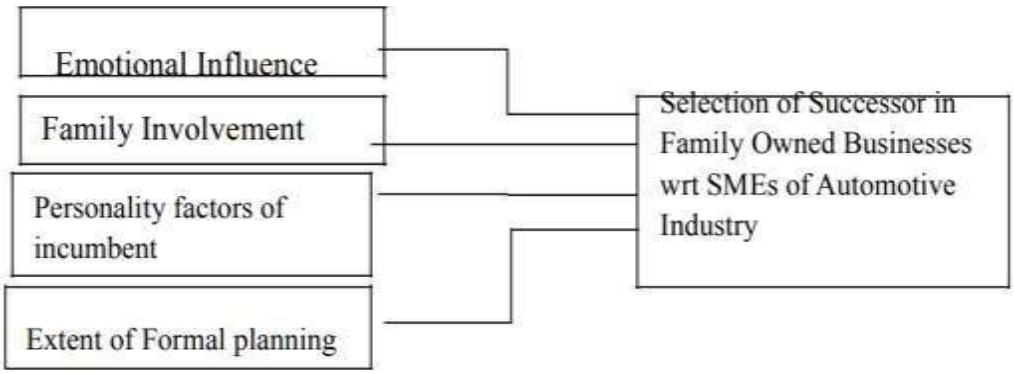

Emotional Influence
Family Involvement
Personality factors of incumbent
Extent of Formal planning
Selection of Successor in Family Owned Businesses wrt SMEs of Automotive Industry

Fig 5.7 Showing a diagrammatical network on the basis of data collected

CHAPTER 6

DISCUSSION AND FINDING

6.1 FINDINGS

In order to more effectively correspond with the goals, the results of the research are discussed in two distinct ways: first, via qualitative analysis, and then through quantitative analysis. Additionally, the nature was unique in the sense that each required independent attention from readers in order to comprehend the foundational work.

6.1.1 Findings – Qualitative Analysis

An awareness of the general pattern and practice in the field of Succession Planning was assisted in the creation of via the use of qualitative analysis. In theory, Succession Planning has always been an essential component of HRM in every given company; but, in practice, only a small minority of businesses, particularly family-owned businesses and small to medium- sized enterprises (FOBs and SMEs), prepare for future leadership. On the other hand, based on the data that was obtained, there are a few trends in Succession Planning that can be seen, and they are discussed below.

Succession Planning might be different depending on the size and nature of the company. The majority of small businesses were operating in their first generation, whilst the majority of larger businesses were operating in their second or third generation of succession.

- The majority of firms that are in the first generation of succession are concentrating on staying in business rather than growing, in contrast to organizations that are in the second or third generation, which are concentrating on growing while being sustainable. In other words, as businesses are passed down from one generation to the next, the scope of their activities tends to expand as well. It would seem that the amount of time invested in a company is directly proportional to the amount of growth it experiences.

- Each FOB has shed light on the difficulties of the corporate world. Regardless of whether the company was micro, medium, or small in scale, it has a one-of-a-kind family makeup that either directly or indirectly influences the company's operations.
- A company's size and the industry it operates in both have a role in its willingness to adapt to new circumstances. Enterprises that were older, had reached the third generation, and were engaged in significant investments were more likely to be receptive to experimenting with Succession Planning, while tiny and micro set ups were still unwilling to try with Succession Planning.
- Every kind of business realises how important it is to have a documented succession plan, and the majority of them have already begun the process of creating one. A handful of them also have written rules, but there seems to be a disconnect between planning and the actual carrying out of the plans.
- The majority of businesses conveniently chose the next generation as successors due to high trust, low risk, family values, and continuity of business. Despite the fact that these decisions occasionally invited disputes within the top management, most businesses made this choice because it was convenient. However, the vast majority of businesses continued to use this strategy.
- Businesses that had better plans were implementing SP in a more successful manner by first recognizing the potential, then grooming and training the incumbent, then placing him effectively, and then elevating him to a higher position.
- Nearly every business was influenced in some way by meddling from family members at any and every level of decision-making. However, family members who had more at stake were more influential in the choices that were made, and there was a lot of involvement from all members of the family. It was revealed that the level of engagement of family members was significant regardless of the firm size or kind.

- SP is still not system-driven; rather, it is person-driven in SMEs, and these decisions are highly affected by emotional attachment, family values, bias, image of the business, acceptability of the successor, and business performance. The majority of the decisions were considered to be leader-centric.

6.1.2 Findings: Quantitative analysis

A revised model was developed as a result of the study of the data as well as the quantitative analysis carried out by SPSS and AMOS. The identification of the characteristics that determine or influence the selection of successors in family-owned automotive SMEs was the second aim of the study. The goal was accomplished by first gathering data, then putting it through its paces as a construct, and then transforming it into an appropriate model.

CHAPTER – 7

CONCLUSION AND RECOMMENDATION

7.1 INTRODUCTION

The determination of was to conduct an in-depth investigation into the subject matter and get an understanding of the patterns and practises of succession planning at FOBs. This was meant to serve as an introduction to qualitative data analysis. Additionally, the initial aim of the study was accomplished thanks to this finding. In addition, the findings of the data aided in constructing a theme network model, which must be employed in order to accomplish the second purpose of the study. In, the reader is presented with information on the demographics of the respondents, their responses, making inferences, developing themes, and drawing conclusions. As a means of data analysis, the intent of was to test hypothesis and develop a model. SPSS and AMOS were used in the data analysis. After conducting a Factor Analysis with Confirmation with SPSS using the Principal Component After identifying the variable's pattern and factor loading, the next stage was to assess the model's goodness of fit using CMIN/DF. After that, the hypotheses were tested through correlation, and the model was finally presented through a path diagram. The most significant aspect of this chapter is the quantitative research that will be done in order to turn the second aim into outcomes.

As was just said, the selection of a successor in family-owned automotive SMEs was found to be heavily influenced by four main themes. The research began with four hypotheses, three of which were adopted after determining that the null hypothesis was incorrect, and one of which was disproved. Due to the fact that SP is very significant yet is seldom discussed, the current study is one of the few instances of research that has been conducted in an Indian setting. Each of the components had a substantial influence on one another as well as on the overall relationship. In addition to this, it provides a conceptual foundation for future study on the subject. The study emphasises the significance of identifying a prospective successor and then preparing and grooming that individual for leadership roles in the organisation. The investigation began with the formulation of two primary goals, which were then followed by the formulation of hypotheses, the collecting of data, the testing of

hypotheses, and the building of models. Both of these goals were conceived of with the Indian environment in mind. The research has repercussions for management and leadership choices, as well as for strategic planning.

7.2 CONCLUSION

In India, strategic personnel planning (SP) has been recognised as one of the most significant and vital elements of an organization's overall strategic HR planning. Organizations invest time and money into the SP of people to guarantee that there will be a seamless transition from one person to the next in the event of future leadership vacancies. Despite this, many businesses still do not have a robust structure in place at the level of the CEO and leadership. Even if a company puts out the effort to implement the appropriate processes and practises in the middle and lower levels of the hierarchy, but does not do so at the top, the organisation will not be productive. As a result, there is a pressing need to develop scientific approaches to the processes of succession planning, candidate development, and placement. The research has two primary goals: the first is to understand the pattern and practises of SP in FOBs, and the second is to identify the variables that impact the selection of a successor in SP of family-owned automotive SMEs. Both of these goals will be addressed in this article. The two different strategies each contributed to the successful completion of the goals. The first objective was investigated and clarified using the qualitative method of face-to-face interviews, followed by content analysis; whereas the second objective was accomplished using the quantitative method of data collection via questionnaires, followed by SPSS and AMOS to develop a model. The qualitative method was used to explore and explain the first objective.

7.3 RECOMMENDATION

According to the findings of this research, succession planning in small and medium-sized automotive component companies should pay attention to psychological and emotional considerations. The findings may be used to the development of a methodical process for succession planning and can provide owners and managers of family businesses with insights that can help them construct a leadership pipeline in more efficient ways. Concerns over who will take over at the top have been raised at almost every kind of organisation. As a result, the findings of this research will be

used to develop a strategy for locating, training, and retaining potential leaders. In addition, the model that was produced in the study may assist researchers in conducting in-depth studies of the components and developing nomological models based on these aspects. The results of the research may be applicable to the operations of other types of companies as well; it is not necessary to restrict their application to small and medium-sized automotive component manufacturers solely.

7.4 LIMITATIONS OF THE STUDY

The following are some of the restrictions that apply to the research study: o Due to the fact that part of the questions was sent, the sample was restricted to only include those individuals who answered with fully completed questionnaires.

- Despite the fact that SP being an area of concern to practically all different kinds of firms, the research did not concentrate on any other sectors since its primary emphasis was on the automotive components industry.
- A link between succession and the monetary performance of these company houses is not possible to establish since none of the firms polled disclosed the figures of their productivity after the turnover of leadership.
- Despite the fact that SP was an essential component of the company operation, the research did not include a great deal of relevant information since its primary focus was on FOBs.
- During the process of analysing the literature review, there was a dearth of information concerning Indian businesses; as a result, it was necessary to use extrapolation to fill in the gaps in the data.
- The data have revealed some restriction in analysis since the research includes a sample where SP has been done in more than five years' period, thus the study itself has some limitations.

7.5 SCOPE OF FUTURE RESEARCH

The conduct of future research may take place in a variety of directions, some of which are listed below and which may be taken into consideration.

- Researchers in SP may compare enterprises owned by families with those owned by non-family members.
- In addition to the industry of automobile components, this may also encompass a great deal of other businesses. o A research may be begun on this subject in light of the growing number of females who are being appointed as FOB successors.
- Only the areas of Delhi and the National Capital Region (NCR) were included in this research. It's possible that other researchers may want to look at locations all around the nation, taking into account the impact that various cultures have on succession planning.

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